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Tokyo Stock Panic? Most Experts Say No

But Election and Fears of Inflation Expected to Keep Market Nervous

By Patrick L. Smith
International Herald Tribune

TOKYO — Two big back-to-back declines on the Tokyo Stock Exchange have raised the question of whether the collapse long predicted by a number of financial analysts is under way.

So far, in the view of most market-watchers, the answer is no. But many said the nervousness would remain until the market, which

NEWS ANALYSIS

reached record highs at the end of last year, returned to a period of steady gains.

"The market's definitely midway in a big correction, but I doubt if this is the end of the road for Japanese stocks," said Bruce Johnson, chief market strategist at Baring Securities (Japan) Ltd.

"Correction" was also the word latched onto by Japanese officials seeking to play down the significance of the consecutive declines.

With these declines the Nikkei average, the most widely watched market barometer, had dropped by more than 5 percent since the beginning of the year. Tuesday's loss of 666.41 points was the sixth biggest for one day in the history of the index.

In an interview with local reporters, Yasushi Mieno, governor of the Bank of Japan, asserted that the recent declines in both stock and bond prices "were within the range of correction," the Kyodo News Service reported.

The chief cabinet secretary, Mayumi Moriyama, said the market's drop Tuesday was "not such a big problem." He added: "There is a wait-and-see attitude due to uncertainties about the future."

Some analysts were less sanguine.

"Finally the market is getting people seriously afraid," Brad Bauer, manager of international equity sales at Barclays de Zoete Wedd Securities (Japan), told Reuters. Other observers, too, said the market remained seriously overvalued.

Still, most experts remained confident that prices probably had not entered a dramatic freefall.

The sharp setback on Tuesday, the second straight session in which prices had declined by more than 1 percent, was largely due to the dollar's continuing surge in foreign-exchange markets. That reinforced fears of higher inflation in Japan and further rises in domestic interest rates, these analysts said.

Brokers said political jitters stemming from the problems facing the governing, conservative Liberal Democratic Party in next month's elections also had been a factor.

"It's difficult to envisage a positive market between now and the Japanese elections," said Mike Morizumi, a market strategist at Merrill Lynch Japan Inc.

The Nikkei average of 225 stocks closed Tuesday at 36,850.36, down 666.41 points from Friday's close. Monday was a public holiday in Japan.

"If the index goes below 35,580, a crucial point on the moving average, then we're in a worrying stage," said Baring's Mr. Johnson.

"We expected a correction, but it came about a month early," said Teruo Yuge, general manager of investment management at Yasuda Trust & Banking. "From now on there are likely to be more violent moves in the market — 5 percent correction swings will not be unusual this year."

Many analysts pointed to the Soviet Union's troubled political outlook and concern that the weaker yen would force the Bank of Japan to boost interest rates again. The bank's benchmark interest rate has risen three times in the past year.

In block trading on Tuesday, the bellwether government long bond closed at 89.02 yen (61 cents), a loss of 1.22 yen. Yield rose almost one-quarter of a percent to 6.7 percent.

On the stock market, 450 million shares were traded, down sharply

See TOKYO, Page 14

Blue chip shares rallied in an otherwise mixed session on the New York Stock Exchange, Page 14.

The Associated Press

Two Soviet internal security troops escorting an Armenian woman to safety in the center of Baku, the Azerbaijani capital, on Tuesday.

Azerbaijan Toll Climbs to 56 as Fighting Rages

U.S. Accepts Use of Force

By David Hoffman
Washington Post Service

WASHINGTON — The White House expressed understanding Tuesday of Moscow's decision to send troops to Azerbaijan in an attempt to stop the ethnic conflict.

"We understand the need to establish order in a situation where order has broken down," said Marlin Fitzwater, the presidential press secretary. "I think that clearly is the case where you have the Azerbaijan people fighting with the Armenian people."

He added that the United States hoped "for as little use of force as possible to establish order there."

"We certainly regret the violence," Mr. Fitzwater said.

He added, "We recognize the right of any state to ensure the safety of its citizens, and that looks like that's the primary concern at the moment."

In the past, the United States has sought to draw a distinction between the use of force to crush dissent, which it has opposed, and the use of force to restore order.

■ Europe Weighs Reaction

Joseph Fitchett of the International Herald Tribune reported from Paris:

European officials were careful Tuesday to avoid saying anything publicly that could be cited to justify a crackdown on political dissent in the name of law and order.

Western officials invariably stressed that the ethnic fighting appeared to be a local upheaval that called for the kind of response Moscow has ordered.

But they said that any use of force to block political demands or crush separatist movements in other parts of the Soviet Union would probably be preceded by local disturbances and violence stirred up by agents working for Moscow.

This watch-and-see attitude appeared to reflect Western uncertainty about whether the crisis there foreshadowed a tougher Soviet approach to handling nationalist unrest in general, and whether Soviet actions would steady the overall situation or increase anxieties and separatist pressures in other Soviet border republics.

"There might well be a law-and-order problem in the Baltics," a British official said. "The circumstances are going to be blurred, so it would be irresponsible for the West

See ALLIES, Page 4

Army Units Moving In

By Bill Keller
New York Times Service

MOSCOW — The Soviet government airlifted on Tuesday 11,000 army and internal security police troops to embattled regions of Azerbaijan, where armed bands of Armenian and Azerbaijani militants were reported to be still locked in conflict.

The government put the official death toll at 56 in several days of bloodshed. Most of the victims were Armenians killed by mobs in the capital city of Baku, with the others casualties of what appears to be large-scale guerrilla warfare in western Azerbaijan and on the border with Armenia.

A television report Tuesday night said 5,000 army soldiers and 6,000 Interior Ministry troops had been rushed into the worst trouble spots following a government decree Monday night granting sweeping emergency powers.

At least 5,000 interior troops have been stationed in western Azerbaijan for the past year, struggling to keep ethnic skirmishes in and around the disputed enclave of Nagorno-Karabakh from bursting into full-scale war.

Armenians fiercely criticized President Mikhail S. Gorbachev for intervening too late and then doing too little. But Moscow evidently was unsure of cooperation from local authorities in Azerbaijan and fearful of igniting major resistance.

The Foreign Ministry spokesman, Gennadi I. Gerasimov, said Tuesday that he would not characterize the fighting as civil war, although the Soviet press has begun using the phrase.

"It's national strife," Mr. Gerasimov said. "Let's say, almost civil war." He also declined to say when the government might lift the ban on foreign journalists traveling to the troubled areas.

Terrified Armenian refugees streamed into Moscow and other cities Tuesday from Baku, bearing stories of atrocities that are sure to further fuel the centuries-old enmity between the mainly Muslim Azerbaijanis and the predominantly Christian Armenians.

At the Armenian republican legation in Moscow on Tuesday night, families told of being driven from their apartments by gangs wielding axes, then evacuated by

See SOVIETS, Page 4

In Berlin, Democracy Starts in Muddle

Opposition Bickering Marks East Germany's First Lessons in Free Choice

By Marc Fisher
Washington Post Service

BERLIN — The headquarters of one of East Germany's largest opposition groups is two rooms of an unfurnished apartment on a dark and pitted street in the working-class Prenzlauerberg section of East Berlin.

In one room, a stack of 30 crudely reproduced leaflets sits on a table. In the other, Burkhardt Finning, business manager of Democratic Uprising, tries to figure out how to work the personal computer that his party just received as a gift from a West German company. There is no phone.

"This is the extent of our equipment," Mr. Finning said. "The Communists must laugh when they even think about it."

Less than four months before East Germans are to vote in free elections for the first time in 57 years, the opposition is disorganized, divided and detached from the people.

At their weekly talks with the caretaker Communist government, 16 opposition parties and citizens' groups have bickered among themselves, hour after hour.

East Berlin police blame the opposition for damage caused by demonstrators. Page 4.

Election Alliance 90, an attempt to forge a common force against the Communists in the May 6 election, attracted only six opposition groups and lost one of its members and much of its cooperative spirit in its first week of existence.

But most frustrating to those trying to recapture the momentum of last fall's stirring bloodless revolution, the opposition has been unable to connect with the masses who brought down Erich Honecker's leadership.

"It's all so confusing," said Gisela Haering, 65, a retired East Berlin secretary who has joined in street demonstrations against the government but says the opposition does not excite her. "I don't know if I'll vote at all. The worst thing that can happen is to have the Communists again — what a catastrophe! But all these other parties, they're like little children."

"Dominant personalities are totally nonexistent in the opposition," a Western diplomat here said. "There is a core anti-intellectual feeling on the street and the major opposition groups are all intellectuals. It is not a good combination."

The situation here reminds at least one observer, Claus Montag of the Institute for

See EAST, Page 4

Kiosk

U.S. Restricts Israel Aid Use

WASHINGTON (AFP) — The United States reminded Israel on Tuesday that U.S. military and economic aid was not meant to be used to settle Soviet immigrants in the occupied territories of West Bank and the Gaza strip.

The U.S. State Department spokesman, Margaret D. Tutwiler, said the aid program was "explicitly limited to Israel and not the occupied territories."

General News

The permanent members of the UN Security Council agreed on a UN role in Cambodia. Page 4.

Republicans urged Bush to counter a Democratic proposal to cut taxes. Page 3.

In silent China, a lone dissenter speaks up at last. Page 7.

Stage/Entertainment

Mike Zwerin writes about "Let's Get Lost," a documentary on the life of the jazz great Chet Baker. Page 8.

Business/Finance

Citicorp posted a big loss for 1989 because of doubtful Third World loans. Page 9.

Crossword Page 8.

Dow Close	The Dollar In New York	
Up 23.25	DM	1.694
2,662.62	Pound	1.6585
	Yen	145.395
	FF	5.76

Reuters

RAUCOUSNESS IN ROMANIA — Soldiers in Bucharest trying to stop protesters on Tuesday from entering government offices to press housing demands. Page 2.

Yeltsin Warns of Collapse

Reuters

TOKYO — Boris N. Yeltsin, a leader of the Soviet parliamentary opposition, said Tuesday that the Soviet Union could destroy itself unless major changes are made quickly.

"The Soviet Union is faced with a crisis and could destroy itself within as little as three months," Mr. Yeltsin said. "We urgently need fundamental and radical reforms."

He said that President Mikhail S. Gorbachev was compromising too much in his *perestroika* restructuring process and that none of the principal objectives had been achieved. He listed these as political and economic revisions, introducing a federal system of government, solving ethnic problems and raising living standards.

"Perestroika from the top down is out of breath," Mr. Yeltsin said at a meeting sponsored by the National Press Club of Japan. "Sooner or later, it will come from the bottom up. I doubt this process can take place in a civilized manner, as in Eastern Europe.

"One could fear a repetition of events in Romania. But I'm an optimist. I hope the Soviet Union will recover.'

Mr. Yeltsin said he was skeptical of Mr. Gorbachev's ability to maintain political control in Moscow before the 28th Congress of the Soviet Communist Party, which is to meet sometime this year.

"If the party congress took place last year, as we had requested, Gorbachev would have been in full control,' Mr. Yeltsin said. "But I cannot now guarantee it will still be a Gorbachev congress or a Gorbachev party this autumn."

East and West Open Military Talks in Vienna

By R. Jeffrey Smith
Washington Post Service

VIENNA — Military leaders from the six non-Soviet Warsaw Pact nations lunched amicably here Tuesday with General Colin L. Powell, chairman of the U.S. Joint Chiefs of Staff, while the Soviet military chief, General Mikhail A. Moiseyev, tangled over military policy at a separate meal with Air Marshal Sir David Craig of Britain.

In a day of extraordinary social and political events involving military officials from 35 nations, many of them trained to attack one another's forces, these lunches assumed symbolic importance by pointing up the increasing isolation of the Soviet military from its historic allies.

General Powell opened a joint discussion of East-West military doctrine, training and spending by welcoming political changes that have brought growing internal debate about Warsaw Pact military programs and policies — and by implication, raised new questions about high U.S. military expenditures.

He went on to assert pointedly that U.S. troops in Western Europe were not "occupying forces" and would remain only as long as they were "welcomed by the governments and publics" on the basis of a collective alliance judgment that they were needed.

Although he did not say it directly, the reference was evidently intended to bolster the resolve of Czechoslovakia and Hungary, which have either requested or begun negotiations for a complete withdrawal of Soviet forces from their national territory, upsetting a Soviet security arrangement that dates from World War II.

General Powell's speech was immediately followed by that of the Bulgarian chief of staff, General Christo Dobrev, who announced that his Warsaw Pact country had no territorial ambitions and planned to convert 85 percent of its

See VIENNA, Page 4

Siberian Hut-Dwellers Warm to Stove-Centered Tradition

By Francis X. Clines
New York Times Service

ILYINKA, U.S.S.R. — Over the hard Siberian horizon, beyond the frozen river, legions of city families must wait 10 years or more on a government list simply to move from one-room apartments to two-room existences in soulless tenement towers.

Anatoli S. Chekryzhov barely grunts at such a stultifying flight from the past as he stokes up the enveloping warmth of his classic peasant stove amid snowdrifts far from the nearest city.

The ancient furnace-size stove dominates his one-room abode, a snug old hut, allowing him to bake his bread six loaves at a time, climb within its closet-size belly to steam-bathe and then dream warmly through cold Siberian nights on its clay sleeping pallet.

His was once considered an ignoble existence, one of the peasant burdens that the revolution was supposed to be about. But it is a good bet that his stove-centered way of life will endure beyond the most fiery dogmatism.

As apartment waiting lists grow longer in the city and the revolution seems to stumble back through time, more peasant huts are being built deep in the countryside.

Before there was *perestroika* or Marxism or centuries of czars, the stove lent the simple huts of Russian peasants a warmth and focus that can easily shame the modern tenements that rise bloodless as stalagmites in Novokuznetsk, 32 kilometers (20 miles) south of Ilyinka, and across modern Siberia.

The log walls of huts under construction rise from the snow-covered village with a stark sketchbook beauty. But few of the new huts have a genuine stove like the one Mr. Chekryzhov built years ago.

"Here we slept, the whole family up on top," he said, describing boyhood winter nights atop an even larger stove than the one he built in his bachelor's hut. "Here we baked all the pies and breads," he said, gesturing to his oven compartment.

Through the window, ravens could be seen darting in black-and-white vividness across the snowscape as villagers trudged past with well water in sled-drawn jugs.

On Saturday, Mr. Chekryzhov opened his door to strangers, and the warmth of the stove rolled out like a welcome mat. When a puppy tumbled from the doorstep into the soft snow, the host scooped it back toward the warmth of the stove.

Many miners in Novokuznetsk are militant about the shabbiness and constraint of their apartments. But Mr. Chekryzhov's hut seemed bathed in charm as he recalled pies baking and his grandmother dozing about his boyhood stove.

A miner, he commutes to work from the ancient village of about 300 huts. He manages an easy life, he says, by growing basic vegetables in a small backyard plot during and occasionally hunting when he needs a new fur hat. He looked forward to buying a spring piglet and a tastier future than skimpily stocked food stores allow.

A true Siberian, he mourned this winter's averaging only about 20 degrees below zero centigrade (minus 4 Fahrenheit). He likes 35 below, when his tongue feels as if it is freezing in his mouth, and even 50 below, when no one can work because metal tools shatter.

"Nobody wants to work anyway," he said. "Everybody wants to command. Perestroika will never get to this place. Everything's being destroyed by Gorbachev and his ideas," he added, referring to President Mikhail S. Gorbachev.

A neighbor, sleepy-eyed as a cat in the spell of the stove, snapped alert at such talk. Discreetly he made a gesture perhaps as old in Russia as the stove — two fingers of each hand cross-hatched in a silent warning of cell bars.

But Mr. Chekryzhov ignored the advice, saying that just as under early communism the peasants lost faith in the land itself, lost the knack of building and appreciating stoves and farmsteads, so now they were losing faith in change.

Soon, his conviction as stout and heated as the stove, he was defending Stalin, contending that yes, there were victims under Stalin, but so was there faith. In the Gorbachev years, he said, there may be fewer victims, but there is also less faith in government.

"It's not heroism to pull a dead lion by its tail," he said, using a proverb to characterize the current criticism of Stalin.

In Romania, the Path to Democracy Touches on Anarchy

By David Binder
New York Times Service

BUCHAREST — There was a moment on Friday night when it appeared that an angry mob of several thousand was dictating policy in the capital to the frightened provisional leadership of Romania. At the same time, army generals were taking command in the cities of Timisoara and Iasi.

These events, unforeseen by the National Salvation Committee, which had been in power for only three weeks, gave the impression that after having toppled a Communist dictatorship, Romania was teetering toward anarchy.

Three leading members of the committee's executive board had taken it upon themselves Friday to face a crowd gathered at the very doors of their headquarters in the Foreign Ministry on Victory Square.

But what had begun as a somber ceremony in memory of the thousands of Romanians who died in the insurrection that overthrew President Nicolae Ceausescu last month was, by this time, a mob scene, a surging horde fired up by vengeful slogans and by suddenly plentiful bottles of brandy.

Within a short time, the crowd was demanding the resignations of Prime Minister Petre Roman and Ion Iliescu, the chairman of the executive board. The two men were practically drowned out when they tried to speak.

Only Dumitru Mazilu, the first deputy chairman, seemed to please the mob, and he urged them on in their shouts of "death" to former Communists.

NEWS ANALYSIS

After a brief consultation, the three agreed to toss some scraps to the mob: a decree outlawing the already defunct Communist Party and the announcement of a referendum on reintroducing the death penalty. This seemed to meet the mob's demand to legalize the killing of former Communists.

On Monday morning, a spokesman for the National Salvation Committee, the 150-member group from which the executive board is drawn, declared at a news conference that the hasty decisions of three nights earlier had been "a mistake" acknowledged as such by everyone, including Mr. Iliescu.

The spokesman, Aurel Dragos Munteanu, who also is the director of Romanian radio and television, said the three council leaders "were not entitled to adopt decisive measures," such as decreeing the outlawing of the Communists. He said the 11-member board had voted on Saturday morning to place the issue of a party ban before the nation, along with the death penalty, in a referendum on Jan. 28.

Mr. Munteanu added that he personally opposed a death penalty and a ban on the Communist Party.

"We don't have to start by banning any party except fascists," he said.

He went on to deny that the assumption of command in Timisoara by General Gheorghe Popescu, replacing Lorin Fortuna, a civilian, was not an indication that the army was taking charge in Romania.

"There is no military takeover in this country," he said. "The army is not governing a single village in this country."

If General Popescu stays on as governor in the Timisoara region, and if other army officers are chosen to run government operations, as in the city of Iasi, "then they have to leave the army," he said.

Despite Mr. Munteanu's assurances and the efforts of Mr. Iliescu, Mr. Roman and Mr. Mazilu to present a semblance of unity in a joint television appearance on Saturday, it is clear that the provisional government of Romania does not speak with one voice.

For example, Mr. Munteanu asserted that "a majority" of the executive board was present and "consulted all the time" in the Foreign Ministry on Friday evening.

But Silviu Brucan, a member of the board, said Monday, "That simply is not true."

Mr. Brucan also said that he had learned for the first time on Monday afternoon that Mr. Munteanu was purporting to speak for the board.

"On the one hand, you have a lack of experience," Mr. Brucan remarked about the new leadership. "On the other hand, the legacy of Ceausescu is indeed a monumental disaster.

"Thirdly, you have people who never knew democracy either theoretically or practically. This generated very serious anarchic tendencies, as became evident Friday."

Since Friday, an arc of soldiers has been posted in front of the Foreign Ministry, around the clock, to prevent such demonstrations.

A semblance of order has been preserved through the visits of foreign officials and politicians, including Foreign Minister Hans-Dietrich Genscher of West Germany and Representative Chester G. Atkins, a Massachusetts Democrat.

Still, the prospect for political life in Romania would appear in chaos as the new leaders try to cope with a ruined economy, criminal trials of Ceausescu aides and the preparation of free elections, scheduled for late April.

But the alternative would be even bleaker.

As Mr. Brucan remarked: "If we withdrew, there would be a terrible mess, probably a slaughter. As we noticed Friday, the feeling of revenge is very strong."

Moldavia Secession Back on the Agenda

By Michael Dobbs
Washington Post Service

KISHINEV, U.S.S.R. — On the day Nicolae Ceausescu was overthrown in Romania, Iuri Rosca addressed a nationalist rally in Soviet Moldavia. For the first time in his life, he heard a crowd chanting the slogan "*reunire, reunire*" — Romanian for "reunification."

Several days later, Mr. Rosca was in the northeastern Romanian town of Iasi, leading a Moldavian relief operation. He was asked to address a rally. Again, the shout went up: "Reunire, reunire."

"As I looked out at the crowd, I realized that I was looking at the same faces, the same people that I had seen back home in Moldavia, said Mr. Rosca, vice president of the Moldavian Popular Front, a mass movement pressing for Moldavian autonomy from Moscow. "They were chanting the same slogan in the same language on both sides of the border."

Made up largely of territory annexed from Romania under a secret 1939 pact between Stalin and Hitler, the Soviet republic of Moldavia is already feeling the impact of the Romanian revolution. The potentially explosive issue of reunification with Romania — a nonstarter as long as Mr. Ceausescu was in power and Moldavians felt better off in the Soviet Union — is back on the political agenda.

Calls for the incorporation of Moldavia into a greater Romania provide a dramatic illustration of a new political trend that is likely to assume considerable importance over the coming months. The revolution from above initiated by the Soviet leader, Mikhail S. Gorbachev, has made the rounds of Eastern Europe and is returning to the Soviet Union as a revolution from below.

"Our *glasnost* and democracy had an important effect on Romania," said Boris Marian, a Moldavian journalist who has just returned from a visit to Bucharest. "Romanians watched Soviet television — and it changed the way they thought. We influenced them and now they are going to influence us."

For more than four decades, Soviet ideologists and historians tried to persuade Moldavians that they were a totally different people from the Romanians. In order to emphasize the difference between Moldavian and Romanian, the Kremlin imposed the Russian cyrillic alphabet on Moldavia, forcing the population to abandon the traditional Latin script.

The overwhelming majority of Romanians and Moldavians argue that they are one and the same nation. Together with Transylvania and Wallachia, Moldavia was one of three provinces that historically made up greater Romania. Apart from some differences in pronunciation, Moldavian and Romanian are practically indistinguishable.

"It's like the difference between American and English," said Alexandru Bantos, editor of Moldava, a Kishinev magazine.

Under pressure from the Popular Front, which organized a series of huge demonstrations in Kishinev and other towns, Moscow allowed Moldavians to revert to the Latin script in August. The Moldavian parliament declared Moldavian rather than Russian to be the republic's official language, provoking an angry backlash from Russian and Ukrainian workers who make up more than 30 percent of the 4.3 million population.

Similar nationalist reawakenings have taken place elsewhere in the Soviet Union. But Moldavia is the only Soviet republic where secession would mean not independence, but unification with a foreign state.

Up until now, the mainstream political forces in both Romania and Moldavia have taken a cautious attitude toward reunification. Romania's new provisional government has insisted that it will abide by the 1975 Helsinki declaration, which includes a clause on respect for existing frontiers. Most Moldavian Popular Front leaders also feel that it is too early to push for reunification.

"The Soviet empire will eventually fall apart, just like the Roman Empire did — but I don't think it would be wise to make this demand right now," said Mr. Rosca, who is responsible for the front's foreign relations. "The Romanian economy suffered even more than ours from Communist rule, and reunification could lead to a drop in living standards. Many people would probably not understand this."

Radi Bisha/The Associated Press

PAST AND PRESENT MISERY — Vasila Grota, an assembly-line worker in the Romanian village of Poplaca in Transylvania, talking of the barrenness of life under President Nicolae Ceausescu and of disappointment with the new order. He and many others in the village of 2,200 say the revolution has left them behind, and they complain about a lack of fuel and food, despite the end of rationing.

Genscher Vows Aid to Germans From Romania

Reuters

SIBIU, Romania — The West German foreign minister, Hans-Dietrich Genscher, visited Romania's ethnic German community on Tuesday and was greeted by thousands of people wanting to emigrate to West Germany.

"Please, help us out!" many shouted in German as Mr. Genscher laid a wreath in memory of those who died in the overthrow of President Nicolae Ceaucescu last month.

Mr. Genscher, on a two-day visit to Romania, later assured people at a church service that West Germany would continue to accept all ethnic Germans from Romania.

He said earlier in the day that more than half of the ethnic Germans in Romania wanted to go to West Germany. He said members of the community told him in Bucharest on Monday that 60 to 80 percent of the country's 200,000 ethnic Germans wanted to emigrate. He stressed that Bonn would not encourage them to leave.

Spy Held by Soviets Was a Top Agent

By Michael Wines
New York Times Service

WASHINGTON — Donald F., the senior Soviet diplomat whose 30-year career as a spy for the United States was disclosed in the Soviet press on Sunday, was one of the most important recruits to serve U.S. intelligence, according to current and former government officials.

Several former officials said the account of the diplomat's early years, as reported in Pravda, the Communist Party daily, matched the career of a spy trained and supervised by the FBI in the early 1960s.

That spy's code name was Top Hat.

An agent for Soviet military intelligence agency, Top Hat was stationed at the Soviet Mission to the United Nations in New York when he reportedly approached U.S. officials in 1961 or 1962, offering his services as a double agent.

His work apparently continued for nearly three decades, despite a debate among U.S. intelligence officials over whether he was genuinely serving Washington or was a "dangle" — a supposed double agent who was actually working for the Soviets.

In the late 1960s, U.S. intelligence agencies were convulsed over whether the Soviet spies recruited by the United States could be trusted. The late James J. Angleton, the CIA's head of counterintelligence from 1954 to 1974, came to suspect that many of the agents, including Top Hat, were actually controlled by the Soviet Union and were providing deceptive information.

Others in the CIA and FBI disagreed, arguing that Top Hat was a legitimate agent who had risked his life to provide valuable intelligence to the United States. One government official underlined that view on Monday. "The Soviets apparently thought he was genuine," he said. "They executed him, didn't they?"

The Pravda report stated that Donald had been tried and found guilty of espionage and was to be executed. It is not clear whether the sentence has been carried out.

In recent years, the debate over Top Hat came into public view with several books and articles describing the recruitment of an agent from among the Soviet diplomats assigned to the UN.

Pravda's report on the unmasking of Donald by Soviet counterintelligence said a published report in the West had hinted at his identity. Donald, Pravda said, decided to continue his espionage, believing himself safe from detection.

"I felt in my spine that the KGB was after me, but my own analysis of my actions erased my concerns," Pravda quoted him as telling Soviet investigators.

In a twist to the tale, a former government intelligence official said Monday that the top Soviet intelligence officer at the UN Mission in the early 1960s, when Top Hat began his double life, was Vladimir A. Kryuchkov, who in 1988 was appointed chairman of the KGB, the primary Soviet foreign intelligence agency.

A former official said that Top Hat was a military attaché at the UN, holding relatively junior rank. Another official said he was recruited by the FBI in New York while serving at the UN; that official said that after his assignment at the UN, Top Hat was recalled to Moscow.

His next posting, two former intelligence officials said, was to Burma. One official said that in 1965 or 1966 an FBI agent went to Burma to turn him over to a case officer from the CIA. By law, the FBI handles intelligence recruitments in the United States while the CIA operates overseas.

Pravda said Donald was recruited at the UN and was then contacted in Burma by an FBI agent, who arranged for him to be handled by the CIA. Three former intelligence officials said they knew of no other Soviet agents recruited at the UN and subsequently contacted in Burma.

The Pravda report appears to have refueled a debate over Top Hat's authenticity, a dispute that has continued almost since the day he volunteered his services to the United States.

By some accounts, Top Hat was one of two Soviet agents at the UN who approached the U.S. government in the early 1960s, offering to give Soviet secrets to the FBI.

The first volunteer, codenamed Fedora, continued his FBI service for at least 15 years, according to published accounts, although CIA counterintelligence experts concluded that he was in fact a Soviet plant.

The same difference of opinion existed over the authenticity of Top Hat, according to several published accounts.

Despite widespread publicity about Top Hat and Fedora in books on espionage, neither man has ever been named. Some experts believe that they were actually the same man, and that the United States created two identities to deceive the Soviets.

One official said Monday that "there was never a debate, a legitimate debate," over whether Top Hat was loyal to the United States. But other former government officials differed, even questioning Pravda's report of the espionage arrest and planned execution.

Those officials speculated that Top Hat might in fact be retiring, in which case the Pravda report would be the last chapter in a three-decade career as a triple agent — a Soviet spy who pretended to be a U.S. spy while actually working as a Soviet spy.

Bulgaria Opens Roundtable Talks With a Discordant Televised Debate

By Celestine Bohlen
New York Times Service

SOFIA — The first round of talks between Communist Party officials and members of the Bulgarian opposition began Tuesday on a sour note, as each side accused the other of not cooperating.

The televised opening debate across two long tables, with members of the Bulgarian and international press listening in, illustrated the initial imbalance of power, as political novices in the opposition face off against the Communists' near-total economic and political control.

The talks this week — modeled after so-called roundtable negotiations between governing Communists and opposition forces in other East European countries — are part of Bulgaria's ongoing political change, as the country prepares for free elections in the spring.

As a condition of their participation, members of the Union of Democratic Forces, a loose-knit opposition coalition, have insisted that they be provided with office space, a newspaper and access to television and radio.

"This is not a an ultimatum, it is a necessity," said Georgy Spasov, a spokesman for the opposition. Andrey Lukanov, the No. 2 figure in the Bulgarian Communist Party who heads the government team at the talks, had accused the opposition of staging a media circus, and of issuing ultimatums.

After an hour behind closed doors, the talks broke up Tuesday, to resume on Jan. 18. A government spokesman said facilities for an opposition newspaper will be available this week, but that offices will have to be found through Sofia municipal officials. He said no agreement had been reached on direct television or radio broadcasts by the opposition.

At a press conference, Mr. Spasov said the opposition's conditions still stood. "The day the roundtable talks starts, will be the day we have offices and a newspaper," he said. "At the same time, we want a guarantee that we have access to television and radio."

As it is, the opposition — many of whose members only two months ago lived in fear of arrest — now meets in a lecture room in the basement of the Institute of Sociology, where the overflow spills into a tiny café next door.

And, as the opposition leaders pointed out Tuesday, in a state-owned economy the only place they can go to find new quarters is the government — in this case, their negotiating partners.

While the opposition seems less well-prepared for the initial round of negotiations, most observers agree that their influence is on the rise, while the Communists are rapidly losing ground.

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Egyptian Group Says Cairo Policy Is to Use Torture

New York Times Service

CAIRO — An Egyptian human rights group has charged that torture and sexual abuse of prisoners in Egypt has become so widespread that it "now appears to be a matter of policy by security forces" holding those detained both for political and nonpolitical reasons.

The report by the Egyptian Organization for Human Rights, published Saturday, was prepared before President Hosni Mubarak dismissed on Friday the interior minister, Zaki Badr, who is known for his tough handling of dissent.

His successor, Mohammed Abdel-Halim Musa, has said that the change of minister does not mean a change of policy, suggesting that Egypt will continue to crack down on violent opponents.

Neither Mr. Musa nor other government agencies offered any comment on the human rights report, which said that the security forces used whips, electric batons, water hoses and electric shock treatment to sensitive parts of suspects' bodies to extract confessions.

U.K. Urges More Seats By Direct Vote in Colony

By Barbara Basler
New York Times Service

HONG KONG — The British foreign secretary, Douglas Hurd, ended a four-day visit here on Tuesday, calling for a quickened pace of democratic changes as the colony moves toward its return to Chinese control in 1997.

While the visit produced no concrete announcements on change, Mr. Hurd said Britain would announce within weeks how many seats in the largely appointed Hong Kong legislature that it would open to direct elections.

He said the number would be considerably more than the 10 seats Britain had suggested in its original proposal two years ago.

He also repeated his assessment that the best outcome would be a political arrangement that would continue after the Chinese takeover. But if Britain could not reach agreement with the Chinese, he said, "then we have to take our own decisions" on democratic changes and their pace until 1997.

He acknowledged that since the military crackdown on the democracy movement in Beijing last June China's leaders "have been difficult because they feel somewhat defensive."

"They are more suspicious than before," he added.

But Mr. Hurd insisted there was also a "powerful Chinese incentive" to integrate Hong Kong successfully under the "one country, two systems" formula.

A wide range of Hong Kong politicians and pressure groups now support a political plan that calls for 20 directly elected seats next year, and 30 seats — half of the legislature — elected directly by 1997.

But China, which controls the drafting of the "basic law" that will govern Hong Kong after 1997, has said that it wants only 18 directly elected seats by 1997.

Mr. Hurd also reaffirmed Britain's intention of continuing the forced repatriation of Vietnamese émigrés who are not considered refugees.

WORLD BRIEFS

Aquino Starts Military 'Dialogues'

MANILA (Reuters) — President Corazon C. Aquino of the Philippines, in an effort to head off any new coup attempt, began a series of meetings with military officers Tuesday to hear their problems and secure their loyalty.

Mrs. Aquino gave a luncheon for 25 army captains and 15 lieutenants at the Malacañang presidential palace, and a spokesman said she intended to meet officers in small groups twice a week for "free-wheeling dialogue."

Mrs. Aquino's military adviser, Major General Mariano Adalem, said the junior officers had raised grievances about promotion bottlenecks, discussed their pay and allowances and briefed her on how they had acted during the last mutiny, which began Dec. 1.

Bank Accepts Plea Deal in Drug Case

TAMPA, Florida (Reuters) — A U.S. prosecutor said Tuesday that a major international bank had agreed to a last-minute plea agreement to avert a trial on charges of laundering millions of dollars in drug profits for Colombian drug traffickers.

The Bank of Credit and Commerce International, a Luxembourg-based bank, was to have gone on trial Thursday in federal court here along with seven former bank officers, including one who said he had been the personal banker for Manuel Antonio Noriega, the deposed Panamanian leader. The bank was indicted in October 1988 on charges of laundering more than $32 million for Medellin drug ring in Colombia.

Prosecutors did not announce details of the agreement, but such deals generally call for the government to reduce or drop charges in exchange for cooperation from a defendant. The bank was the first major bank indicted on U.S. money-laundering charges, and U.S. officials described the case as the most important of its kind in U.S. history.

3 Die in Attack by Militants in Algeria

ALGIERS (Reuters) — Three persons were killed Tuesday when five Islamic fundamentalists stormed a court building in the town of Blida and seized weapons from policemen, the official news agency APS said.

The attackers, armed with knives and an axe, surrounded the police and grabbed pistols and an automatic weapon, APS and Algiers radio reported. They killed a policeman who resisted and then barricaded themselves in a room. Police ended the 30-minute siege by firing tear gas into the room. Two attackers died and the others were disarmed and arrested. The radio report said one attacker appeared to have killed himself and APS said one was killed by the police.

The radio report said that the fundamentalists appeared to have no connection with the trial now being heard at the court. But in October, the court heard the retrial of Islamic fundamentalists charged with plotting to overthrow the government. The trial was adjourned pending a Supreme Court decision on whether the Blida court had jurisdiction.

Amnesty International Accuses Seoul

LONDON (AP) — Mass arrests and the reported torture of prisoners have reversed a two-year trend of human rights improvements in South Korea, Amnesty International, the human rights group, said in a report scheduled for release Wednesday.

It said 800 political and trade union activists had been arrested in major cities in a crackdown on political opposition by President Roh Tae Woo's government. Thousands more were briefly detained for participating in demonstrations or industrial strikes, the group said, and leading dissidents and student leaders went into hiding to escape arrest.

Greek Conservative Vows April Vote

ATHENS (Reuters) — The leader of the country's conservatives, Constantine Mitsotakis, said Tuesday that Greece would hold general elections in April, the third in under a year, as agreed upon in November.

Mr. Mitsotakis said that a four-month limit was agreed upon when his New Democracy Party, the biggest in parliament, formed an interim government with the Panhellenic Socialist Movement and a Communist-led alliance after inconclusive elections in November.

The Socialist leader and former prime minister, Andreas Papandreou, and the alliance want the government of the non-Communist prime minister, Xenophon Zolotas, prolonged at least until October, when local elections are due. Mr. Mitsotakis said that if Mr. Papandreou tried to avoid a vote in April vote, he would drag him to the ballot box.

TRAVEL UPDATE

Survey Suggests Limit on Air Safety

LONDON (Reuters) — Commercial air travel may be as safe as it is going to get, according to a survey of crashes in the 1980s. A survey in the British weekly Flight International said Tuesday that airline safety had improved so much in the 1970s "that it seems now to be resting on its laurels."

The study showed that 8,077 passengers were killed in accidents involving 244 scheduled and charter flights in the 1980s, compared with 8,251 deaths in 286 accidents in the previous decade. The survey said that a significant reduction in accident rates might be technically and economically unfeasible; besides, it said, a passenger would have to make 571,500 flights before boarding one that had a fatal accident.

Pan Am Seeks U.S.-Japan Routes

MIAMI (AFP) — Pan American World Airways has applied for U.S. government approval to operate scheduled daily service to Japan.

The managing director of Pan Am, Armand Ariel, said Monday that the company was seeking permission to operate daily Boeing 747 flights between Los Angeles and Tokyo, and additional services between Los Angeles and Nagoya. He said that the company would use the authority, if granted, to offer one-stop service between Japan and Miami as the U.S. gateway to Latin America.

Finns Say 10 Had Explosives on Jets

HELSINKI (AP) — Officials of the state-owned chemicals company Kemira face charges of illegally carrying explosive devices in their hand luggage on regular commercial flights, the Finnish national radio said Tuesday.

The Helsingin Sanomat newspaper reported that up to 10 company representatives from Kemira's armaments division carried trade samples of hand grenade fuses and other devices on Finnair flights to Singapore. Other explosives, including fuses and gunpowder, were transported in cargo holds, the reports said. Kemira was accused of smuggling arms and explosives over the last 10 years. The Finnair security chief, Antero Harras, said explosives were banned on Finnair and all other airlines.

The season's first snowfall in Japan forced a two-hour closure of the Tokyo international airport. The authorities said 23 incoming flights were diverted to other airports in Japan and 12 departures delayed. Commuter and inner-city trains ran late. (AP)

Engineers on Portugal railroads began 10 days of disruptive action Tuesday on some regional and intercity trains to demand higher wages and greater benefits, union officials said. A 24-hour strike would be called for Jan. 26 if the demands were not met, they said. (AP)

WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Amsterdam	11	52	10	50	r
Athens	—	—	—	—	
Barcelona	19	66	4	39	fr
Belgrade	-1	30	-4	25	sf
Berlin	11	52	2	36	r
Brussels	10	50	4	39	r
Budapest	-1	30	-4	25	sf
Casablanca	19	66	7	45	fr
Costa Del Sol	15	59	7	45	fr
Dublin	11	52	5	41	c
Edinburgh	11	52	4	39	r
Faro	15	59	7	45	fr
Florence	7	45	2	36	fr
Frankfurt	7	45	3	37	r
Geneva	7	45	2	36	cl
Helsinki	-1	30	-3	27	sw
Las Palmas	20	68	17	63	fr
Lisbon	11	52	7	45	r
London	12	54	11	52	r
Luxembourg	7	45	3	37	r
Madrid	7	45	0	32	fr
Milan	6	43	0	32	cl
Moscow	-5	23	-9	16	sw
Munich	4	39	0	32	r
Nice	14	57	8	46	fr
Oslo	4	39	-2	28	r
Paris	11	52	6	43	fr
Prague	7	45	2	36	cl
Reykjavik	2	36	-2	28	sf
Rome	18	64	7	45	fr
Stockholm	3	37	-1	30	sf
Strasbourg	9	48	4	39	r
Venice	5	41	-2	28	cl
Vienna	5	41	-2	28	cl
Warsaw	0	32	-2	28	sf
Zurich	5	41	2	36	r

MIDDLE EAST					
Ankara	—	—	—	—	
Cairo	17	63	10	50	r
Istanbul	—	—	—	—	
Jerusalem	10	50	5	41	sq
Tel Aviv	15	59	9	48	cl

OCEANIA					
Auckland	—	—	—	—	
Sydney	19	66	17	63	sq

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	33	91	25	77	r
Beijing	2	36	-8	18	sf
Hong Kong	14	57	11	52	r
Manila	—	—	—	—	
New Delhi	22	72	6	43	fr
Seoul	1	34	-8	18	sf
Shanghai	7	45	2	36	r
Singapore	32	90	24	75	t
Taipei	24	75	18	64	r
Tokyo	1	34	0	32	sf

AFRICA					
Algiers	16	61	7	45	fr
Cape Town	22	72	16	61	fr
Casablanca	17	63	7	45	fr
Harare	26	79	17	63	fr
Lagos	31	88	22	72	t
Nairobi	26	79	12	54	fr
Tunis	14	57	7	45	fr

LATIN AMERICA					
Buenos Aires	35	95	19	66	fr
Lima	28	79	19	66	fr
Mexico City	21	70	6	43	fr
Rio de Janeiro	32	90	24	75	t

NORTH AMERICA					
Anchorage	-6	21	-15	5	fr
Atlanta	19	66	8	46	fr
Boston	6	43	3	37	sn
Chicago	12	54	-1	30	cl
Denver	4	39	-6	21	sn
Detroit	9	48	1	34	cl
Honolulu	29	84	21	70	fr
Houston	25	77	11	52	fr
Los Angeles	19	66	9	48	fr
Miami	26	79	20	68	fr
Minneapolis	-3	27	-14	7	sn
Montreal	-2	28	-9	16	sn
Boston	2	36	-4	25	sn
New York	7	45	1	34	sn
Phoenix	16	61	7	45	fr
San Francisco	12	54	8	46	fr
Seattle	7	45	4	39	r
Toronto	4	39	-1	30	sn
Washington	15	59	6	43	r

cl-cloudy, fr-foggy, fr-fair, h-hail, o-overcast, pc-partly cloudy, r-rain, sh-showers, sl-sleet, sn-snow, sf-snowflurry.

WEDNESDAY'S FORECAST — CHANNEL: Slightly chance. FRANKFURT: Rain. Temp. 9 — 6 (48 — 43). LONDON: Overcast. Temp. 7 — 5 (45 — 41). MADRID: Fair. Temp. 11 — 2 (52 — 36). NEW YORK: Partly cloudy. Temp. 11 — 5 (52 — 41). PARIS: Rainy. Temp. 11 — 5 (52 — 41). ROME: Fair. Temp. 13 — 2 (55 — 36). TEL AVIV: Mist. Temp. 21 — 9 (70 — 48). TOKYO: Cloudy. Temp. 14 — 11 (57 — 52). MANILA: Fair. Temp. 32 — 21 (90 — 70). HONG KONG: Cloudy. Temp. 17 — 14 (63 — 57). SINGAPORE: Cloudy. Temp. 32 — 23 (90 — 73). TOKYO: Temp. 6 — 0 (43 — 32).

AMERICAN TOPICS

Video Games Plug Cigarettes and Beer

Signs advertising Marlboro cigarettes and Budweiser beer are appearing in children's video arcade games, and doctors are protesting. The manufacturer, Sega of America, said the inclusion of the ads was "simply a game designer's innocent attempt to mimic real-life locations."

The company said it was removing the logos. It did not say how many games had been made or how long they had been in use.

Although manufacturers have been known to pay large sums for mention of their products in films, Philip Morris, which makes Marlboro cigarettes, and Anheuser Busch, the brewer of Budweiser, said they had not authorized Sega to use their brand names or logos. Philip Morris has asked Sega to recall the games.

"Super Monaco GP is essentially one big Marlboro ad," said Dr. John W. Richards of the Medical College of Georgia, referring to one video game. "A child playing Super Monaco GP is exposed to literally hundreds of Marlboro ads during the game, if he's good."

Dr. Ronald M. Davis, director of the Office on Smoking and Health of the U.S. Centers for Disease Control, said: "I think it's regrettable at best, and scandalous at worst."

Notes About People

The Reverend Jesse L. Jackson has opened an office in Washington to push for statehood for the District of Columbia. He has been mentioned as a potential rival of Mayor Marion S. Barry Jr., who is seeking a fourth term, and his move to Washington from Chicago last year increased speculation. "Washington is the last colony," Mr. Jackson said. He said Congress should end its "occupation" and its "tyranny of taxation without representation." Mayor Barry also advocates statehood.

After four terms in the U.S. Senate, James A. McClure, Republican of Idaho, says he will not run for re-election. The senator, 65, says today's Senate is "an instrument of response, not an instrument of leadership." He said the whole Congress had become "a school of wet-finger politics," dependent on public opinion polls.

Short Takes

A blind woman who was raped identified her alleged assailant by smell and by touch, Chicago police said. The suspect, a 14-year-old boy who lives in the woman's apartment house, was placed in a lineup. The woman, 24, quickly identified him by the scent of his cologne as well as by his hands, which he had put over her mouth.

Shorter Takes: The Mission Inn in Riverside, California, where the Richard Nixons and Ronald Reagans honeymooned, closed in 1985 but is being rebuilt by its new owner, Chemical Bank of New York, for $9 million. It will reopen this fall. ● In downtown Chicago, Old St. Mary's Catholic Church is to be razed and rebuilt with the top 10 of its 12 floors used as a parking garage. From the outside, it will still look like a church. The parish will get 2.5 percent of parking receipts. ● The Homewood, Illinois, library is suggesting a limit for withdrawals. It urges patrons to take out at least 10 books while it moves into a new building opening next month.

Arthur Higbee

Republicans Urge Bush to Counter Democrats' Tax-Cut Plan

By Ann Devroy
Washington Post Service

WASHINGTON — Republican leaders have warned of "a stampede" by party legislators in favor of a proposal to cut taxes for retirement benefits unless the administration can persuade voters that the plan is actually an assault on benefits.

Even then, the Republicans said, President George Bush might have to produce an alternative to the proposal by Senator Daniel Patrick Moynihan, which would reduce the taxes.

Mr. Moynihan, a New York Democrat who heads the Senate Finance subcommittee on Social Security, said on Dec. 29 that he would introduce legislation to reduce Social Security taxes by about $7 billion this year and $55 billion in the fiscal year that begins Oct. 1. In addition to retirement benefits, Social Security provides disability payments.

The senator's proposal is designed to stop surpluses produced by mid-1980s legislation to provide benefits for people born just after World War II who will retire in the next 20 to 30 years.

Mr. Moynihan contends that the surpluses are being used to mask the true size of the federal deficit. His critics say they believe he wants to use a reduction in Social Security taxes to force a general tax increase.

Because of the strong appeal of any tax cut to the Republicans' conservative base and to its candidates in an election year, White House officials, congressional leaders and party strategists fear that the proposal could become a serious issue in the next session of Congress.

House Republican leaders met with the White House chief of staff, John H. Sununu, on Thursday and with Vice President Dan Quayle on Friday to discuss what one official called "an effort to head off any political stampede" by Republicans toward the plan for tax cuts.

White House and Republican Party sources said that the House minority whip, Newt Gingrich, a Georgia Republican, warned administration officials last week that Mr. Moynihan's proposal to cut retirement taxes was a ploy aimed at forcing a general tax increase.

But its appeal is extremely strong to conservatives like him who almost reflexively favor any tax cut, Mr. Gingrich said. Asking Republicans to oppose a tax cut in an election year, he told the White House, is political trouble.

Mr. Gingrich, in an interview, said the Moynihan proposal, which would repeal Social Security tax increases for 1990 and 1991, is "a bait-and-switch tactic."

Once the $62 billion in surplus Social Security is no longer available to reduce the federal budget deficit, he said, "I'll bet you any money Moynihan will propose a general tax increase."

Mr. Moynihan, who is out of the country, has not said how the deficit-cutting targets of the Gramm-Rudman-Hollings Act can be met without revenue from the Social Security trust fund. But he has suggested that large cuts in military spending and the defeat or modification of Mr. Bush's plan to cut capital gains taxes are high on his list.

"I told the White House they ought to say Moynihan's instinct is right, his plan is totally wrong," Mr. Gingrich said, "and they ought to be prepared to offer an alternative."

The alternative he favors would repeal the tax increases, but require that workers and employers put the equivalent of the increases — up to $300 each — into a retirement savings account.

The White House spokesman, Marlin Fitzwater, said last week of Mr. Moynihan's plan, "Democrats seem to want to fiddle around with the Social Security system. We do not."

Officials have begun to distribute letters that Mr. Moynihan wrote in 1988 calling the Social Security trust fund "untouchable" and asking the presidential candidates to pledge that they would not alter the 1983 formula that he helped write.

That 1983 "rescue" of the system is producing surpluses that are aimed at providing for the huge postwar generation when it retires in 2010 to 2020 without a heavy tax burden on those who are working at the time.

When he announced his plan, Mr. Moynihan said it would put the system back on a "pay-as-you-go" basis instead of building up surpluses that offset the deficit. He wants the trust funds earmarked in such a way that they cannot be used to reduce the deficit.

The White House plans to propose the same thing, but it would not start the shift until after 1993 and would do so gradually.

AT&T Traces 9-Hour Failure of Phone Lines to Computer

By John Burgess
Washington Post Service

WASHINGTON — American Telephone & Telegraph Co.'s long-distance network, by far the largest in the United States, failed for nine hours this week, blocking millions of calls and disrupting businesses.

At one point Monday, the company said, only about half of the calls dialed were going through.

Because Monday was a national holiday in the United States, Martin Luther King Day, damage to businesses was limited.

The problem, corrected late Monday, was traced to the complex software that runs AT&T's computerized switching centers, an AT&T spokesman, Daisy Ottmann, said Tuesday.

AT&T dismissed speculation that the problem was caused by a computer "virus," a program that can spread and replicate itself, sabotaging computer networks.

Many customers got recordings advising that circuits were busy and telling them to try again later.

In some instances, AT&T operators accepted only emergency calls. In other cases, calls went through normally and subscribers were not aware that there was a problem.

International calls and the increasingly used toll-free numbers also were tied up, but private lines that many businesses lease from AT&T were not affected, said Herb Linnen, an AT&T spokesman.

Businesses that depend on long-distance calls were hard hit. American Airlines, for example, reportedly received only a third of the normal number of calls at its reservation centers.

Marriott hotels were getting only 10 percent of their usual volume.

Arizona Telemarketing Inc. of Phoenix, which places 4,000 to 9,000 calls a day, sent its 40 employees home.

"We had to close the place down," said Miriam Benson, the company president.

Regional disruptions are rare but not unknown, usually caused by the physical destruction of facilities by weather or by accidents, such as construction crews severing fiber-optic cables.

But this appeared to be the first national disruption with no apparent physical cause.

The sole supplier of long-distance service in the United States until competition began in the 1970s, AT&T today carries nearly 70 percent of all interstate long-distance calls.

In the early days of telephones, connections were made by operators who plugged wires into switchboards.

Today, the process is automated. The tones that telephones produce as callers dial numbers activate a series of computers at telephone switching facilities, leading them to search data bases, select specific routes, avoid congested trunk lines and make other complex decisions, often for millions of calls at a time.

"The most complex software ever written in the world, bar none, is switching software," said Frank Dzubeck, president of Communications Network Architects Inc. in Washington.

AT&T said the problem Monday appeared to have been centered on computer equipment that AT&T began installing in 1987 in its 110 national switching centers.

The equipment and accompanying software controls a "signaling" network that exists solely to set up and convey information about long-distance calls. The conversations themselves are carried on a separate network.

Other companies have suffered minor disruptions in phasing in the same equipment.

U.S. Said to Understate Health-Field AIDS Rate

By Susan Okie
Washington Post Service

WASHINGTON — The government's count of the number of health care workers in the United States who have accidentally become infected with the AIDS virus seriously understates the problem, health officials say.

But they acknowledge that they have no idea what the real figure is.

Last week, when reporters covering the trial in New York of a doctor with acquired immune deficiency syndrome who is suing her hospital called the federal Centers for Disease Control in Atlanta, they were given the official numbers: 19 cases in the United States and 27 cases worldwide.

These numbers, according to David Bell, chief of the Atlanta agency's AIDS activity and hospital infection program, do not reflect reality.

"We know they're notoriously underreported," he said. "Basically, nobody knows how many health care workers have been infected."

The case of the New York doctor, Veronica Prego, is the first to come to trial.

Critics say it is dangerous for the the agency to report figures that it knows to be falsely low, because it encourages health care workers and hospital officials to underestimate the risk. As a result, workers may fail to take precautions and hospitals may neglect to make policies to deal with accidental infections.

Part of the reason for underreporting, health care officials say, is that employees who contract the human immunodeficiency virus, or HIV, are afraid of losing their jobs, and hospitals fear that patients will go elsewhere if they learn that a staff member is infected.

But critics say that the Centers for Disease Control also contributes to the low total by using overly stringent criteria for determining which cases were caused by workplace exposure and by moving too slowly to investigate case reports.

Dr. Hacib Aoun, a Baltimore physician who sued Johns Hopkins Hospital in 1987, charging that he had contracted the virus in 1983 when he cut his finger on a blood-filled tube, said that his own case is still not included in the agency's tally, even though the agency started investigating it three years ago.

Dr. Aoun, who has AIDS, reached a settlement with the hospital and since has published articles and spoken at medical conventions on the need for hospitals to compensate employees infected at work.

"Evaluation of these cases proceeds in such a very slow manner that many of these patients have died during the determination," he said. "Then they are classed as 'undetermined.'"

The number of work-related infections recorded by the agency has changed little in the last two years. In June 1988, it was 15, four fewer than now. Mr. Bell said the agency was investigating about two dozen additional cases, but that "the investigations are not complete and we have very few data about them."

He said three studies have estimated the risk of contracting the virus at about 1 in 250 if a health care worker is accidentally stuck with a contaminated needle.

"We know what the risk is after an individual exposure," Mr. Bell said. But he said the agency did not "have such a good idea what the cumulative risk is" during a worker's entire career.

Accidental needle sticks occur more than 2,000 times a day in the United States, according to one study. Since the proportion of hospital patients who are infected with HIV has risen in recent years, the agency's count of accidental infections should have increased more than it has, said Larry Gostin, executive director of the American Society of Law and Medicine.

He said that last year he had arrived at a total of 25 cases in the United States, using the agency's figure plus reports published in medical journals or recognized by hospitals.

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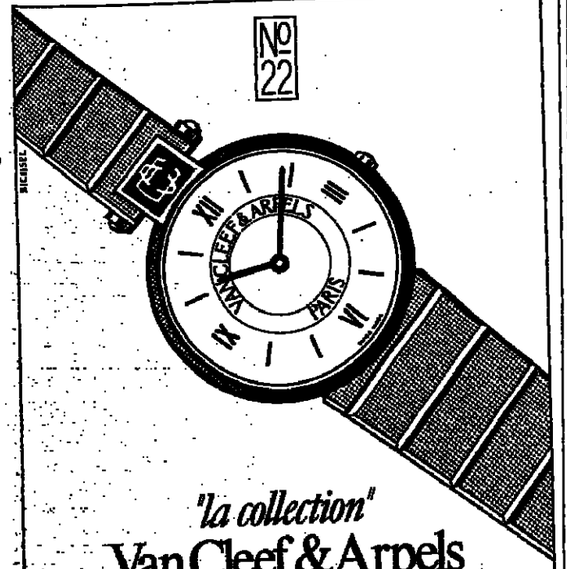

"la collection"
Van Cleef & Arpels
Paris

PARIS, GENEVE, MONTE CARLO, NEW YORK, BEVERLY HILLS, TOKYO, OSAKA, HONG KONG, SINGAPUR, SYDNEY, KUWAIT, MILANO, ROMA, MADRID, BRUXELLES, DEN HAAG, DÜSSELDORF

Paris Talks Endorse A UN Role for Ending Conflict in Cambodia

By Edward Cody
Washington Post Service

PARIS — The five permanent members of the UN Security Council agreed Tuesday that the United Nations should play a central role in organizing a peaceful solution to the civil war in Cambodia.

A senior U.S. official said the accord was significant because it was endorsed by China as well as the other permanent council members: the Soviet Union, the United States, Britain and France. Beijing previously had hesitated to support a major UN role.

But the five countries, in a communiqué issued at the end of two days of talks, stopped short of calling for the United Nations to take over the administration of Cambodia during a transition period before elections.

"All accept an enhanced UN role in the resolution of the Cambodian problem," the statement said.

"There is an *urgent need* to speed up diplomatic efforts to achieve a settlement," it said. "An enduring peace can only be achieved through a comprehensive political settlement, including the verified withdrawal of foreign forces, a cease-fire and the cessation of outside military assistance."

China, eager to frustrate Vietnam's influence in Cambodia, has been the main question in efforts to *resume peace talks and halt the* fighting in Cambodia. The efforts toward peace have been stalled since Aug. 31, when a conference in Paris collapsed in open discord.

Beijing is the chief supplier of the Communist Khmer Rouge, the largest and strongest of three guerrilla groups in an alliance fighting the Vietnamese-backed government in Phnom Penh. Because of its military strength and its violent *past, the Khmer Rouge has* been the chief obstacle to settling the 11-year civil war.

The August conference broke down over a refusal by Prime Minister Hun Sen and his Vietnamese allies to allow the Khmer Rouge to take part in a transition government to organize elections.

By abandoning efforts to set up a transition government and focusing on temporary UN authority, the powers have found what they hope is a more promising way to nudge the Cambodian factions toward peace. The plan is based on one suggested by Australia.

The Hun Sen government and the three guerrilla groups have given general approval of an expanded UN role in any Cambodian peace plan.

The U.S. official conceded, however, that progress depended on whether China would persuade the Khmer Rouge to lay down its arms and entrust transition authority to the United Nations. The big powers, he said, are hoping the Khmer Rouge's "various friends and supporters will convince them of the interests of participating in a process such as this."

"Our discussions clearly reveal that a great deal of work remains to be done," he added.

Meetings on Cambodia have been scheduled for New York next month and for Paris to follow up on the broad questions left open by the accord on Tuesday. Officials said they hoped agreement on a peace plan could be reached within three to six months.

The Khmer Rouge ruled Cambodia from 1975, until Vietnam invaded in 1978. The Khmer Rouge under Pol Pot was reportedly responsible for killing an estimated *two million Cambodians.*

Peace efforts have concentrated on preventing the Khmer Rouge from returning to power as well as on silencing the guns.

The two other factions in the guerrilla alliance, headed by Prince Norodom Sihanouk and by former Prime Minister Son Sann, have been aided by the United States.

The degree of UN authority dur*ing a transition period remains to* be decided, the U.S. official said, as well as the body's relationship with a national council that would be set up to protect Cambodia's sovereignty while elections are organized.

He said the council would probably be formed of representatives of the factions, which would raise the possibility that the Khmer Rouge could block agreement by Hun Sen's government or prevent the United Nations from carrying out its mandate.

The statement from the Paris talks said, "Questions involving Cambodian sovereignty should be resolved with the agreement of the Cambodian parties."

The United Nations would police a cease-fire, maintain security, help administer the country and *create "a neutral political environ*ment in which you can have a free general elections," the official said.

Such a mission is expected to require at least several thousand UN military and civilian officials and a large budget, he said. It would be headed by a representative named by the UN secretary-general, Javier Pérez de Cuéllar.

Antonin Novy/The Associated Press

PRAGUE HONORS STUDENT MARTYR — Prague citizens studying a death mask of Jan Palach on Tuesday during a rally at the recently renamed Palach Square in memory of the student who burned himself to death 22 years ago to protest the invasion that crushed the Prague Spring liberalizations.

Talks in Prague on Withdrawing Soviet Troops Are Put Off

By Craig R. Whitney
New York Times Service

PRAGUE — Talks with the Soviet Union on withdrawing the 75,000 or so troops it has stationed in Czechoslovakia since 1968 proved more difficult than expected Tuesday, and they were adjourned until early next month in Moscow, according to the Foreign Ministry.

President Vaclav Havel, who is expected to make his first official visit to the Soviet Union at that time, and said last week that he expected to discuss Czechoslovak membership in the Warsaw Pact with the Soviet president, Mikhail S. Gorbachev.

A Foreign Ministry official said that the second round of troop talks would probably take place before Mr. Havel arrives.

Czechoslovakia has publicly stated that it would like all Soviet troops to be withdrawn by the end of the year.

But Tuesday morning, as Foreign Minister Jiri Dienstbier prepared to receive the head of the Soviet delegation, Deputy Foreign Minister Ivan Aboimov, on the second *day of the talks, he termed the discussions* complicated.

Neither the Soviets nor the Czechoslovaks provided details.

After the Soviet Union and four other Warsaw Pact countries invaded Czechoslovakia in August 1968, ending the liberalization of that year, the government in Prague signed a status of forces agreement on Oct. 16.

A Czechoslovak Foreign Ministry spokesman said that Prague now regards that agreement as null and void. All Warsaw Pact participants have made statements regretting and deploring the invasion.

The people of Prague on Tuesday renamed Red Army Square for the student who burned himself to death in protest of what the 1968 Soviet occupation had done to his country.

A crowd of 10,000, mostly students from nearby Charles University where Jan Palach had been in his second year, gathered to hear Mr. Havel and other government officials pay him homage as a martyr for the first time since he set himself aflame in St. Wenceslas Square on Jan. 16, 1969.

Czechoslovak television broadcast a half-hour documentary Tuesday night, including fragments of surreptitiously taped remarks by Mr. Palach on his deathbed.

"I wanted to awaken people," he said, according to the transcript, broadcast with emotional scenes of his funeral and the huge street demonstrations that followed his death.

Violence In Berlin Examined

Police Put Blame On Opposition

By Serge Schmemann
New York Times Service

BERLIN — The East German police said Tuesday that protesters who raided security police headquarters had caused millions of Deutsche marks in damage, and they laid part of the blame for the incident on the opposition group New Forum.

The police made the accusations at a press conference at which they also alleged that neo-Nazis and foreign agents were among those who broke from an otherwise peaceful demonstration and smashed their way through two buildings of the vast secret-police complex.

Reporters were later taken on a tour of the damaged building, where the damage appeared less than the police had said.

Leaders of New Forum had no immediate answer to the charge that they had failed to ensure proper security at the demonstration, which they had called.

But Jens Reich, a founding member who attended the press conference, disputed the estimate of damage and expressed irritation at the quickness with which the state-owned newspapers presented the incident as an alarming escalation of violence.

"I think they exaggerate the extent of what happened," said Mr. Reich, who acknowledged he was not there. "Of course it was violent, but consider what has been done in those buildings over the decades, how many people were held there. And there was no violence against persons."

All sides agreed that there had been no confrontations or clashes during the incident and that the raiders left peacefully after about an hour. The police never intervened.

The bulk of damage was in the form of broken doors, spray-painted slogans, damaged furniture and smashed glass in a building that housed services such as a library, cafeteria, travel agency, theater and a hair salon.

The police said the protesters had also done unspecified damage to a foreign-intelligence unit, but this was not shown to reporters.

Some participants in the evening demonstrations suggested that the entire incident may have been a provocation, purportedly by security agents seeking to discredit New Forum and create a mood of insecurity that would rally people behind the Communist-led government. Earlier in the month, there were similar suspicions after a rash of highly publicized neo-Nazi incidents.

One demonstrator, Konrad Zschiedrin, a theater director, said that it was police guards who opened the gates to the complex and that demonstrators who went in were planning a peaceful rally until someone started smashing glass in the services building and shouting inflammatory statements.

It seemed unlikely that the conflicting assertions would ever get sorted out. But they served to heighten a tension and frustration that has settled on East Germany since the New Year, fired in large part by a growing sense that the Communist-led transition government has been waging a rearguard battle to secure its positions, restore its secret police and undermine the opposition.

Many East and West Germans have privately expressed fears that such perceptions will further accelerate the exodus of East Germans to the West, which has been running at a rate of more than 1,000 a day since Jan. 1.

Last week, Prime Minister Hans Modrow agreed to accelerate the dissolution of the security apparatus. It was to ensure that he did not slide from this that New Forum called the demonstration.

While the opposition has felt stymied by the government, people in the streets have become increasingly frustrated with the opposition and the roundtable, which has been mired in procedural disputes and endless voting on points of order. The roundtable was still meeting Monday when the demonstration called by New Forum began.

EAST: *Berlin Democracy Starts in Muddled Bickering*

(Continued from page 1)

International Relations, in East Berlin, of Germany in the 1920s, when bickering among a raft of parties dominated by intellectuals helped clear the way for the simple message of the Nazis.

"I'm afraid a large part of the population won't go to the polls in May and another large group will vote for the Communists for stability," said Bärbel Bohley, an artist and one of the founders of New Forum, the country's largest opposition movement. "Suddenly, the Communists could have a majority in the government with only a small minority of the people supporting them."

The contrast between the stunted progress of the East German opposition and the vibrant success of anti-Communists in other East European countries has its roots in German history and culture as well as in the different styles of the ousted Communist governments.

East Germany's opposition is run by academics and artists who, unlike their counterparts in other East European countries, are in many cases "true believers" in socialist ideals.

Other than the Social Democrats, who endorsed the idea of a single German state on Sunday, the opposition often seems detached from the huge street demonstrations that brought down the Communists and that have called for a market economy and reunification with West Germany.

Some opposition leaders have blamed their failure thus far on Mr. Honecker's policy of expelling dissidents.

Unlike his East European colleagues, Mr. Honecker had the luxury of using West Germany as an escape valve whenever pressure rose.

But many opposition activists put little credence in this theory, arguing that there never was much dissidence in East Germany. They cite two factors: the German tradition of following authority, and the stifling of discussion by the Stasi, or secret police, and their informers.

"We are in Germany and we have a Prussian past," Mr. Finning said. "Heartiness and warmth between people have been lost along the way. That was encouraged by the Stalinists and the Stasi. Only the intellectuals are interested in politics. The other people stay to themselves."

Furthermore, the Communists managed — by design or by accident — to take some momentum out of the opposition movement by opening the Berlin Wall in November and allowing unhindered trips to the West. Thus, many East Germans whose discontent might be channeled into dissent are spending their free time in West Berlin and West Germany.

Demonstrations in recent weeks have focused on calls for a single German state and a Western standard of living, with not a sign of support for a new socialism. But the opposition continues to seek a "third way" between communism and capitalism, warning against being swallowed up by what it calls the West's hedonistic society.

In other East European countries, hatred of the ousted governments and their philosophy crosses social and intellectual boundaries. East Germany is different. As Mr. Honecker frequently said and many intellectuals maintain, East Germany has no reason to exist without a political philosophy different from the West's.

Scenarios for the May election are as plentiful as holes in the Berlin Wall. Mr. Montag says he believes no party will win more than about 10 percent of the vote, "and then you cannot rule the country."

"The people in the streets could well take over again," he added.

ALLIES: *U.S. Acceptance*

(Continued from page 1)

to say too much in advance about Soviet actions."

The outcome is uncertain, he said, and is going to turn out differently in different Soviet regions.

Other Western officials agreed with this caution in commenting on internal strife.

A French official said that detailed prescriptions about Soviet repression, defense of civil authority or coercion were imprudent.

"Any specific case is going to be hard to judge," he said, "and definitions in advance could complicate our position."

A British official appeared to sum up the Western position by saying that "any Soviet attempt to put back the clock in Eastern Europe would end East-West cooperation, but no one expects that."

Developments in the Baltic republics were likely to arouse similar Western concern but would be harder to judge, he said.

In Azerbaijan, an official in Paris said, Soviet actions so far could be compared to the way the U.S. government might order in the National Guard to restore law and order in a race riot.

Such U.S. actions were not the affair of the Soviet Union, he said, adding that Western governments could similarly refrain from taking up detailed positions on Soviet domestic moves along similar lines.

But he echoed other officials in acknowledging that Western governments viewed the Azerbaijan crisis warily.

Western officials were divided about whether the use of military force in Azerbaijan would enhance or damage Mr. Gorbachev's chances of maintaining Soviet unity in the face of separatist demands elsewhere, notably in the Baltic republics.

"It may be seen as a warning by other disaffected groups to tread carefully, or it may steel their determination," a French official said.

He added, "And, of course, the intervention may backfire and undermine Gorbachev's position in Moscow and his credibility on the periphery of the Soviet empire."

SOVIETS: *Deaths Put at 56*

(Continued from page 1)

airplane or by ferry across the Caspian Sea to Soviet Turkmenia.

■ Airport Blockade Cited

Soviet news reports said extremists were blockading the airport in Baku to prevent Armenian refugees from leaving, wire agencies reported from Moscow.

They also said that Azerbaijanis continued to rampage through the city's streets, pillaging Armenian apartments.

Armenian activists said authorities in Armenia were reported to have authorized helicopters to fly volunteer brigades to western Azerbaijan and the Nagorno-Karabakh Autonomous Region. Nagorno-Karabakh is a mainly Armenian enclave in western Azerbaijan.

A report in the government daily, Izvestia, said 3,000 Armenians besieged the Azerbaijani town of Kerko, in the Nakhichevan strip bordering Iran, setting fire to five houses. It said the local population had fled the town.

Izvestia said that huge arms caches had been confiscated in the Armenian capital, Yerevan.

Tass, the official news agency, said four tanks seized on Sunday by demonstrators in Kirovabad, in western Azerbaijan, had been recaptured by security forces.

The agency also quoted Armenian officials in Moscow as saying that about 2,000 Armenians had been evacuated from Baku. It said that only a few thousand of the city's Armenians, whose community once numbered more than 200,000, remained.

In Yerevan, Alexander Arzumyan, a spokesman for the Armenian National Movement, said that Communist Party officials in the republic had allowed the helicopter flights into Nagorno-Karabakh and other areas.

"Several helicopters carrying armed volunteers have been flying to Getashen village in Khanlar district of Azerbaijan," he said. "Fierce exchanges of fire continued there today."

(Reuters, UPI, AP)

VIENNA: *East and West Meet for First Military Talks*

(Continued from page 1)

military production capacity to civilian use within five years.

General Dobrev, who assumed his post less than a month ago, suggested that his government would follow the example of other Warsaw Pact nations by reducing military spending, slashing troop strength, delaying new weapons purchases, and reorganizing and redeploying some of its remaining forces away from the Western border.

He also said his nation would respond militarily only to a direct threat to its armed forces, clearly ruling out any participation in politically motivated activities against other pact nations.

General Dobrev's surprisingly detailed plan was privately hailed by East and West European officials, who also said a relatively strident address by General Moiseyev in the late afternoon had offered little new information and much familiar rhetoric about U.S. military policies.

U.S. officials asserted privately that General Moiseyev had misjudged his audience by aiming his speech at the United States and referring only briefly to the tumult in Eastern Europe.

General Moiseyev opened by restating the Soviet position that the Warsaw Pact had been "of defensive nature since the day of its establishment." But he also acknowledged that Moscow had regarded "an offensive as the main method of military operations" after the experience of World War II and adopted a "new defensive military doctrine" in 1987.

General Powell, while also covering some familiar ground, appeared to pay greater heed to the changing European scene. He began by noting that the military leaders were gathered in a wing of the Hofburg, the baroque monument to the Hapsburg empire that once ruled much of Europe and the site of the 1815 Vienna Congress that divided up the continent after the defeat of Napoleon I.

"Our task today is different," General Powell said. "It is to help shape a new order in Europe that responds to the desires of our citizens to live in peace, security and freedom."

He then offered a general defense of current U.S. military strategy. The twin Western strategies of "forward defense" and "flexible response," which General Moiseyev assailed, do not warrant modification at the present time, General Powell said.

A top U.S. military official, Lieutenant General George L. Butler, said at a press conference later that these policies might be reassessed after a new East-West treaty on conventional forces, which U.S. and Soviet leaders have pledged to conclude by the end of this year.

Anticipating a Soviet broadside on naval arms control, General Powell also drew a distinction between "raising armies" — which he said the American public generally disdains — and "maintaining navies, which cannot seize territory" and are vital to maintaining U.S. security commitments.

But General Powell also said, "There is nothing sacrosanct about the number of troops stationed in Europe."

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In Panama, a War Of Nerves Goes On

By David E. Pitt
New York Times Service

PANAMA CITY — Although American military officials say it is business as usual, a low-intensity war of nerves goes on around the Cuban, Nicaraguan and Libyan embassies, as well as at the homes of the Peruvian and Vatican ambassadors to Panama.

The latest skirmish came over the weekend, when U.S. troops ringing the Cuban Embassy halted a departing car carrying Cuba's ambassador and three aides.

The Cuban envoy, Lázaro Mora Secades, refused to allow the Americans to search the vehicle, citing diplomatic immunity. That set off a shouting match that finally ended, according to U.S. spokesmen, after the troops looked inside the vehicle without searching it or opening the trunk.

It was the third such incident involving a Cuban diplomat and U.S. troops in Panama since the U.S. intervention began Dec. 20.

In that time, U.S. forces have been maintaining cordons around the Cuban, Peruvian and Vatican buildings, where as many as 35 loyalists of Manuel Antonio Noriega and their relatives are believed to be in hiding.

About 25 of the fugitive Panamanians are reportedly in the Cuban Embassy, including Mr. Noriega's wife, Felicidad, three daughters and a grandchild. They are being sought for questioning by the new civilian government, which has suggested that they may be seeking to leave the country with millions of dollars in illicit assets.

Others, like Major Edgardo López Grimaldo, a former Noriega spokesman, and Major Gonzalo González, former commander of an elite combat brigade, are in the Peruvian envoy's home.

Only one fugitive — Eliezer Gaitan, a civilian who led Mr. Noriega's bodyguard — is thought to be still in the building that doubles as the papal nuncio's home and offices.

Another former Noriega official, Manuel Solis Palma, who served as president for a time last year, was reported to be in the Venezuelan Embassy.

There are apparently no fugitives in the Libyan Embassy, but it also remains surrounded by the Americans.

A few blocks away, the walled compound housing the Nicaraguan Embassy was for a time guarded by American soldiers. Late last month, U.S. troops stormed the residence of the Nicaraguan ambassador, a building in another part of the capital, and seized a quantity of arms.

The incident, which prompted Nicaragua to expel two-thirds of the U.S. Embassy staff in Managua — some were later allowed to return — was characterized by President George Bush as a mistake that the United States regretted.

But the continuing sieges and searches of cars have enraged the diplomats involved. Many of them have accused the United States of violating the Vienna Convention of 1961, which guarantees the immunity of diplomatic personnel and property from arrest, seizure and search.

U.S. spokesmen say the United States is simply invoking what it calls its right to search all vehicles entering and leaving the premises, on the theory that they might be carrying fugitives or unauthorized arms.

Santiago Lyon/Reuters

A U.S. soldier on patrol, Keith Dunbar, passing an outdoor barber at work in Curundo, Panama.

Managua Bars Some Reporters

5 Americans Seeking to Cover Election Can't Get Visas

By Mark A. Uhlig
New York Times Service

MANAGUA — Apparently revising its policy of allowing easy access to foreign journalists, the Sandinista government has begun denying and delaying visas for journalists trying to cover the campaign for elections here on Feb. 25.

The change, which has kept at least five members of the press corps from entering Nicaragua since September, marks the first time the government has tried to restrict foreign news coverage of its internal affairs. By contrast, the government has loosened its control over news organizations inside the country under election-year agreements with the opposition.

Sandinista officials deny that there has been a deliberate attempt to screen the journalists entering the country, and say that only one photographer has been directly informed that he will be forbidden to enter. But journalists who have covered Nicaragua for several years say there has been a clear shift in the government's position.

"It is an unspoken policy," said Ron Kinney, a Honduras-based freelance photographer who works frequently for Newsweek and The New York Times and who is among those who have tried fruitlessly for months to obtain a visa. "I have never before been denied a visa to Nicaragua, nor has any other journalist I know."

All of the journalists who have encountered difficulties are American citizens, and all have traveled widely through Central America on assignment for American news organizations. Some suggested that they were being kept out of Nicaragua because of their contacts with Nicaraguan rebel forces.

In addition to Mr. Kinney, the journalists whose visa applications to Nicaragua have been denied or indefinitely delayed are Jason J. Bleibtreu, a photographer for Sygma Photo and Worldwide Television News; Wilson Ring, a Tegucigalpa-based freelance reporter who frequently writes for The Washington Post and Time magazine; John McQuaid, the Mexico City-based correspondent for The New Orleans Times-Picayune; and Greg Flakus, the Costa Rica-based regional radio correspondent for the Voice of America.

Three of the journalists who have not been admitted to Nicaragua are based in Honduras, where they have covered the activities of American-supported contra guerrillas encamped near the Nicaragua-Honduras border. And one, Mr. Bleibtreu, has been accused by the authorities of serving as a messenger between the contra camps and rebel units in Nicaragua.

From 1985 until the middle of last year, American journalists and other American citizens visiting Nicaragua did not need visas to enter the country. But President Daniel Ortega Saavedra then announced that from last July 1 all Americans would be required to obtain visas to prevent United States intelligence agents from using Nicaragua's liberal entry procedures.

■ Areas of Concern

Don Podesta of The Washington Post reported from Managua:

Elliot Richardson, the United Nations secretary-general's personal representative observing the Nicaraguan elections, said Monday that he believed that voting on Feb. 25 will be carried out fairly, but he expressed concern about the atmosphere surrounding the campaign.

In an interview and a press conference, Mr. Richardson mentioned unbalanced coverage in the state-owned news organizations and misuse of government property for campaigning by the governing Sandinsta party. He cited violence and intimidation at political rallies and by rebels in the countryside as areas of particular concern.

Mr. Ortega has raised the possibility that the coalition opposing his Sandinista party might pull out of the elections because "they know they are beaten."

But Alfredo César, personal adviser to the opposition presidential candidate, Violeta Barrios de Chamorro, said there was no possibility that she would withdraw from the election. "She is determined to continue until the 25th," he said.

In a Reversal, Lawyers Want Bail for Noriega

New York Times Service

MIAMI — In a reversal of legal tactics, lawyers for Manuel Antonio Noriega said that they would argue that their client be freed on bail.

The move suggested growing combativeness on the part of the defense lawyers, who have insisted since the deposed Panamanian dictator's arraignment on drug trafficking charges on Jan. 4 that they had no plans to seek bail.

A lawyer for Mr. Noriega, Steven Kollin, said Monday that the decision was a response to the prosecution's request for a bail hearing for the former general. The hearing has been scheduled for Jan. 26 at the federal courthouse here.

"The government has opened up their Pandora's box in requesting that this hearing take place," Mr. Kollin said.

"And we will do what aggressive defense attorneys do, and we will request that our client not be kept in pretrial detention. Now that they've made their decision, we will pull all stops, and we will do what we have to do."

Federal officials said the prosecutors requested the hearing to assure that Mr. Noriega had every legal opportunity to seek bail, and so that his defense lawyers could not later claim that their client was being wrongly held because he had not received a bail hearing.

Diane B. Cossin, spokeswoman for the U.S. attorney here, was unavailable for comment.

To deny bail, the prosecution has to argue that Mr. Noriega would be a danger to the community and might flee the country.

Mr. Noriega remains confined to a cell in the basement of the federal courthouse in Miami.

Dismissing Coup Talk, Cristiani Drops UN Trip

Compiled by Our Staff From Dispatches

SAN SALVADOR — President Alfredo Cristiani on Tuesday discounted reports of a possible military coup attempt against his government.

The reports increased after his office said Monday that he would not leave Tuesday, as planned, for talks at the United Nations in New York. A spokesman denied that the postponement resulted from problems with the military after the president announced over the weekend that members of the military were the principal suspects in the Nov. 16 killings of six Jesuit priests.

"All that talk about coups and things like that is a thing of the past," the spokesman said, adding that the trip had been postponed because the UN secretary-general, Javier Pérez de Cuéllar, was traveling to the Soviet Union.

But UN officials said that Mr. Pérez de Cuéllar had planned to be in New York in time for the meeting, at which the two were to have discussed a UN attempt to revive peace talks between the Salvadoran government and leftist rebels.

On American television Tuesday, Mr. Cristiani spoke about repercussions among the military since he named nine men, including a colonel and two lieutenants, as suspects in the murders of the six priests and two other people.

"I do not think that the coup is a possibility at this moment simply because we have spoken with all the military commanders and they all seem to be very comfortable in trying to come down to the bottom of this," Mr. Cristiani said. He said that eight of the men — the ninth is at large — would be turned over to the judicial system this week.

The priests, their housekeeper and her daughter were shot and killed with assault rifles on the campus of Central American University in San Salvador while a military curfew was in effect.

The arrests, considered important as a condition for continued U.S. aid, have angered many in the Salvadoran Army.

Rumors have circulated in El Salvador's diplomatic circles in recent weeks that Salvadoran commanders might be considering an attempt to depose the president because of his relatively aggressive stance on military abuses.

A Western diplomat said that a U.S.-trained Salvadoran unit had been effective in investigating the slayings, adding that if any officers were convicted El Salvador's justice system would be "breaking totally new ground."

Mr. Cristiani took office June 1 after an electoral victory over the Christian Democrats. His rightist Nationalist Republican Alliance, known by the acronym ARENA, has close ties with the military.

In addition to his United Nations visit, he had planned to visit Washington.

U.S. Lawmakers disturbed by the priests' slayings and other human rights abuses in El Salvador have said they would examine how more than $500 million a year in aid is being spent.

Two congressmen said Monday that the naming of nine members of the armed forces as suspects in the priests' deaths will help overcome congressional opposition to new aid.

"I believe the underlying, convincing, routine business of the government is showing this is a government that is trying hard and is justifying the aid that has been sent here," said Representative Porter J. Goss, a Florida Republican. He and Cass Ballenger, Republican of North Carolina, met with Mr. Cristiani in San Salvador.

(Reuters, UPI)

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The Promise of Malta

Halve the U.S. and Soviet strategic nuclear arsenals. Slash both sides' chemical weapon stockpiles to 20 percent of current U.S. levels. Cut Warsaw Pact and NATO conventional forces in Europe to equal levels below those now maintained by NATO.

All these arms reductions could be negotiated by year's end, as Presidents George Bush and Mikhail Gorbachev pledged at the Malta summit meeting. But if Mr. Bush is to keep that pledge, he needs to act now.

To break the bureaucratic logjams holding up agreements, he himself has to decide what compromises to make. Congress will want to know how he intends to deal with business left unfinished by this year's accords. To lay the groundwork for difficult ratification hearings, he has to discuss next steps with Congress, the allies and Moscow.

A strategic arms accord, the two leaders agreed, comes first. And they are well on their way to one. After Malta, Mr. Bush said he would "kick" bureaucrats to move as fast as possible. But the president has to clear the way by deciding how to resolve three outstanding issues.

On "star wars," Moscow now agrees that the sides can conclude a treaty reducing missiles and bombers without clarifying what testing of space-based defenses is permissible. Holding open the possibility of U.S. star wars tests may satisfy Mr. Bush's hard-line supporters, but Congress will want assurances that both sides remain similarly constrained. The way for Mr. Bush to compromise is to tell Congress that he will deal with the ambiguities after the START treaty is ratified.

On sea-launched cruise missiles, the United States doubts that a ban could be verified, and Moscow is willing to leave them out of START until verification can be arranged. Both sides would be better off if Mr. Bush decided to ban all these missiles.

On mobile land-based missiles, it makes sense for the START treaty to allow them. But Mr. Bush can work with Mr. Gorbachev to begin to eliminate all land-based missiles with accurate multiple warheads. These missiles only cause first-strike worries and force both sides to build mobiles.

Although more important than START in the long run, an agreement on conventional forces in Europe will take longer to finish. The agreement under discussion would require the Warsaw Pact to retire at least 300,000 troops and 32,000 tanks; NATO, just 30,000 troops and 3,000 tanks.

But those cuts aren't deep enough. As the Soviets dismantle more and more of their forces, congressional pressures will mount for more U.S. and Soviet cutbacks. To ease these pressures Mr. Bush can propose a lower ceiling on U.S. and Soviet troops than the 275,000 he is now seeking. And he can use the talks now beginning on military doctrine to shift remaining forces into less provocative formations.

The two leaders also sensibly agreed in Malta to seek a bilateral accord to destroy most chemical weapons. That would set the stage for a multilateral ban. But to win congressional approval, Mr. Bush has to come up with a good plan to verify destruction of chemical weapon stocks. Meantime the biggest impetus Mr. Bush can give to a multilateral ban is to halt U.S. production.

Kicking bureaucrats, or Congress and the allies, will not help Mr. Bush make the decisions that only he can make. Without those decisions he will not fulfill the promise of Malta. For that he would have only himself to kick.

— THE NEW YORK TIMES.

East Germans Know

The remnants of the East German Communist Party have done an unintended service to the cause of anti-communism. They have provided a fresh example of anti-democratic duplicity just at a moment when some people in Eastern Europe and elsewhere were beginning to think that local Communists were adjusting to the new era. As a result of this incident and others like it, all the East Europeans are likely to raise their vigilance against further self-serving ploys by the ruling parties of the past.

The East German party had kept itself in power by, among other means, reliance on a powerful and hated secret police force called Stasi. With the people's revolution, the party stayed at the helm of a transition government but under close opposition watch, and it agreed reluctantly to dismantle the swollen Stasi organization and to leave it to the government that will be elected in May to constitute a new state security force on the West German model. It turned out, however, that the government had dragged its heels in dismantling Stasi.

Prime Minister Hans Modrow, meanwhile, disclosed that he was going to create a new domestic intelligence agency at once — before elections in May.

The basis he cited for creating this agency sheds light on the stresses of de-communizing Eastern Europe. He says that, with the opening of the Berlin Wall, neo-Nazis from West Germany have begun subverting the East. But it is likely that most of whatever neo-Nazi activity there is — to the extent that it is not fanned and exaggerated by the Communists themselves — comes from within the structure of East Germany. With the thawing of political life after a 40-year Communist freeze, elements which in the West have been a familiar if odious part of the landscape are only now emerging into public view.

Fortunately, East German politics now operates in the light of day, where these deeds in the old style can be unmasked and challenged. That is the great advantage of democracy.

— THE WASHINGTON POST.

Hope for El Salvador

It seems a long shot that fruitful negotiations can develop in El Salvador, yet people keep renewing the effort, and they are right to try. In the latest cycle, the five Central American presidents met after the guerrillas' November offensive and urged United Nations Secretary-General Javier Pérez de Cuéllar to get new talks going. The rebels and the government have now indicated that they will take part.

With all the broken hopes of the past, why might things be different this time? A person who believed in reason and logic might observe that the two sides have proved to anyone with eyes and an open mind that a military stalemate exists. Each side can punish but not defeat the other; this was the message of November. Nor can the government reasonably believe that a separate political settlement in Nicaragua would leave the Salvadoran guerrillas without means to continue the fight. And the guerrillas cannot reasonably imagine that the United States is going to cut off a Salvadoran regime that 1) resulted from the country's fifth successive reasonably fair election and 2) in December won the "decisive support" of all the other Central American presidents, including Nicaragua's Daniel Ortega, for being the "product of democratic, pluralistic and participatory processes."

Still, that leaves the two sides with their familiar divergent visions of the society they wish to produce. The war may have deepened these differences. In Nicaragua, the struggle has been between groups which, before they became adversaries, were partners in ousting the old regime; they had a certain amount of ground in common then and perhaps, by degrees, raggedly, they can regain some of it in the political arena now. In El Salvador, the parties never collaborated in ousting the old order, and in fact much of the old order is intact and plays a large role on the government side. Dedicated revolutionaries, opposed not only to the feudalists but to the modernizing element, play a large role on the guerrilla side. This is why bringing the two parties to the table is not in itself a particularly promising act.

A new element is needed to break the stalemate. It is essential but no longer sufficient for the United States to support the government with arms, money and encouragement — and to urge it to redress human rights violations, as the government is doing with its arrests in the case of the murdered Jesuits. To this Washington must add a stronger role in the negotiations. It must begin to state and assert what it believes are the essential ingredients of a fair settlement. These would include democratic process, which exists to some extent; the rule of law, which exists in only scant measure; a large and protected role for all law-abiding political parties, and a sharply restricted and defined role for the armed forces.

The argument against U.S. endorsement of such a program is that it deepens the U.S. commitment, and this administration's commitment, to an uncertain enterprise. The argument for it is that it provides the best visible means of breaking the negotiating deadlock and bringing the war to a conclusion on terms reflecting American values and interests. Without such a new approach from the only country with a weight sufficient to make an impact, the prospect is for more inconclusive talk and deadly war.

— THE WASHINGTON POST.

Other Comment

Competent Leaders for Asia

Rank the countries of Asia according to the proportion of business-oriented graduates and other professional managers among the top politicians and civil servants. At the top: Singapore, Taiwan, South Korea. At the bottom: Bangladesh, Vietnam, Burma. Can anyone doubt the connection? The burgeoning middle classes of India, Pakistan and the Philippines feel betrayed by the mediocrity of the governing elite and the sordidness of the political scene. Educated, talented young people want nothing to do with politics. They abhor the demagoguery, the hypocrisy, the appeal to the lowest common denominator, the reliance on empty sloganeering. Asians are crying out for a new breed of legislator — graduates from our universities and business schools, competent managers and professionals, economists and scientists. Politics must become an honorable vocation. It can't be left to politicians.

— Asiaweek (Hong Kong).

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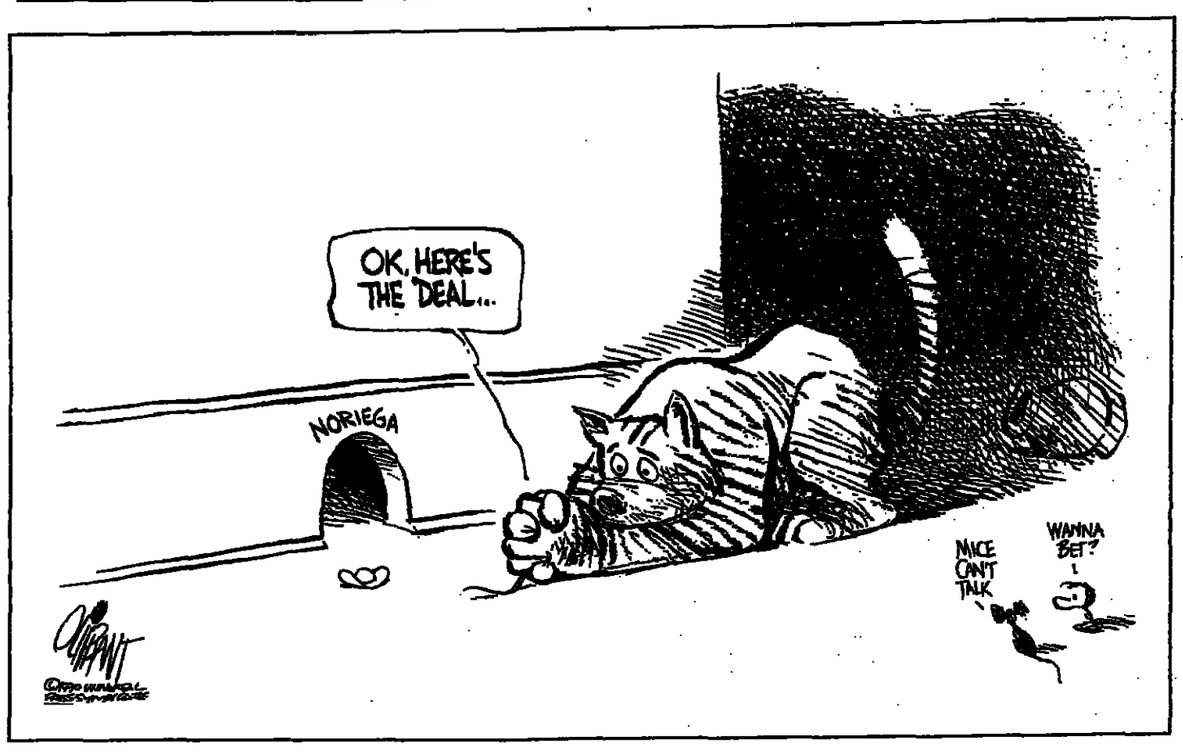
OPINION



Communism's Fall Is Good for Social Democracy

By E. J. Dionne Jr.

This is the first of two articles.

WASHINGTON — Think of the upheaval in Eastern Europe as George Orwell's revolution. The revolutionaries of 1989 have been fighting the battle that Orwell fought for most of his adult life — against communism and for the much maligned philosophy known as social democracy.

"Social Democracy, unlike capitalism, offers an alternative to communism," Orwell wrote in 1948, "and if somewhere or other it can be made to work on a big scale — if it turns out that after all it is possible to introduce socialism without secret police forces, mass deportations and so forth — then the excuse for dictatorship vanishes."

Communism, Orwell wrote, would ultimately be upended by a reformist system that would provide "economic security without concentration camps." That is exactly what the countries of Central and Eastern Europe are searching for now.

The notion that the events in Eastern Europe might represent a triumph for social democracy probably seems laughable to conservatives, and for an understandable reason: Right now, everything seems to be going capitalism's way. The authorities in Poland have already decided to follow the capitalist road aggressively, accepting the high transition costs of substantial inflation and unemployment. Lech Walesa travels the globe urging capitalists to invest in his country. He knows that Poland will not have Western-style prosperity without Western-style markets and investment.

But capitalism's advocates may be confusing the triumph of markets over bureaucracy — something that social democrats have accepted for decades — with the triumph of capitalism itself. In fact, the events in Europe, West as well as East, are pointing increasingly in a social democratic direction. The 1990s could prove to be the decade of social democracy.

The collapse of Soviet communism is the single best thing to happen to democratic socialists in years. It frees them at last of the dead weight of an utterly failed idea. Social democrats long ago condemned the Soviet system and insisted that what they had in mind had nothing whatsoever to do with what Stalin and his heirs foisted on Russia. But that did not prevent people from accepting the idea that what existed in the Soviet Union and its satellites really was socialism.

"Insofar as right-wing and left-wing dogmatists found it convenient to identify the Russian dictatorship with socialism," Irving Howe wrote a few years ago, "they joined to discredit the entire socialist idea." Social democrats will no longer have the Soviet model to kick them around. Now, they can stand or fall on their own.

Social democrats saw the benefits of markets long before Mikhail Gorbachev spoke the word "perestroika." Social democratic governments in Scandinavia, West Germany and Austria worked with rather than against the market during much of the post-war era. The signal event in the development of this market-oriented socialism was the 1959 program of West Germany's Social Democratic Party. Known as the Bad Godesberg program, after the city in which it was approved, it touted a new conviction that state control of industry was not the ultimate end of socialism.

The arguments of the German socialist "revisionists" had echoes among the revisionists in the Labor Party. The British revisionists' intellectual champion, Anthony Crosland, declared in his masterwork, "The Future of Socialism," that socialism was primarily concerned with achieving greater social and economic equality. Such equality, he argued, could be achieved more efficiently through redistributive welfare programs and wage policies than through direct state control of industry. Mr. Crosland proposed his brand of new thinking in 1956, when Mr. Gorbachev was all of 25 years old.

Social democracy has not been a magic formula. Indeed, the 1970s and 1980s were not good to social democracy. Mr. Crosland acknowledged before his death in 1977 that he had been too optimistic in positing almost limitless economic growth.

When growth slowed, redistribution became much more difficult and social democracy's capitalist opponents succeeded in rolling back some of its gains in the name of promoting investment. The social democratic bargain also became more difficult with the internationalization of the world economy: Rather than paying steadily higher wages, employers began to export jobs to low-wage countries.

But Western capitalism itself has been vastly transformed by the social democrats. Pro-capitalist conservatives have had to accept many of the changes championed by the socialist movement, such as unemployment insurance, old-age pensions and health insurance. Indeed, conservative governments in the postwar period were often saved by the very welfare state measures that their forebears had opposed. Both Ronald Reagan and Margaret Thatcher survived high rates of unemployment in the early 1980s in part because social insurance programs cushioned the blows.

The writer is a visiting scholar at the University of Virginia's Center for Public Service. In the spring he will join The Washington Post, to which he contributed this comment.

For an Adjustment to U.S. Foreign Aid Spending

By Bob Dole

The writer, a Republican from Kansas, is the Senate minority leader.

WASHINGTON — It is always a little risky to predict history's verdict on contemporary events. But even from today's sometimes shortsighted perspective, it is safe to declare 1989 as one of the watershed years of the century — the year in which communism collapsed and the long dormancy of freedom suddenly and dramatically blossomed in places from Poland to Panama.

In fact, events have been moving so fast that in some ways we are all playing catch-up in our own analyses and policy prescriptions. A little caution makes great sense in such a volatile environment.

But this much is already clear: We do have an enormous opportunity to consolidate and expand freedom's gains and at the same time enhance America's security and economic potential.

If the new democracies and free market economies fail, the long-term cost to America and to the cause of freedom will be enormous. But if they succeed, it will mean that the United States could enjoy increased security, reduced defense budgets and armament levels and expanded markets for its exports. Simply put, there is no better investment we can make in America in 1990 than finding ways to support the new democracies.

That's the good news. The bad news is that supporting freedom is not free. It will cost bucks — big bucks. And we must find those bucks within the constraints of our own crushing budget deficits and a foreign aid budget that is already stretched to the breaking point.

We may be able to increase marginally our overall foreign aid expenditures. But the reality is that we are not going to have much more foreign aid money in the next few years, at least until the so-called peace dividend kicks in (if it ever does). The immediate answer must include reallocation of what we are spending on foreign aid now.

I am not suggesting abandoning or shortchanging our long-time friends around the world. They remain very important to us, and their needs are just as pressing as those of the new democracies.

What I am suggesting is re-examination of some of the aid programs in a few countries that take most of our aid budget. Now, the big five — Israel, Egypt, the Philippines, Turkey and Pakistan — receive more than two-thirds of our foreign aid.

Does it make sense, at this historic moment, to provide these countries practically all of our aid at the cost of foreclosing dramatically promising new aid initiatives in Eastern Europe or other important countries? What about, for example, those Latin American countries on the front lines in the war against drugs?

Consider this simple fact: A 5 percent cut in aid programs for the big five would provide about $330 million — enough to respond to the needs of new democracies such as Poland, Hungary, Panama, and countless needy countries that under current allocations will receive not one penny.

Perhaps an even larger across-the-board cut and reallocation would be warranted, as the democratic revolution gains momentum.

No doubt, these proposed reallocations will raise a hue and cry. But can't we convince our friends who would "lose" a tiny amount of their aid how much it is in their interest, too, to help ensure against the failure of the new democracies? Can't those pressure groups that have turned some of our foreign aid programs virtually into "entitlement programs" realize that making some minor adjustments in aid allocations can simultaneously serve the countries of their special interest, and serve America?

And can't my colleagues in Congress, who have forced the president to swallow a few huge earmarked aid programs, stand up to domestic political pressure and resist the temptation to politicize foreign aid? Can't they instead support an amended foreign aid strategy that more completely serves the national interest?

Even despite congressionally mandated aid programs, the president has the authority to make the small reallocations of foreign aid that I believe are warranted. I encourage him to consider seriously making those reallocations now. I stand ready to work hard to ensure that Congress and the American public will back him up.

Are big gains for freedom worth a small cut in a few huge foreign aid programs? I say yes.

The New York Times.

French Communists: A Declining Breed Lives On

By Flora Lewis

PARIS — Not all European Stalinist heads have rolled. As a French commentator said, Georges Marchais's advantage is that he is not in power, so he can't be brought down by hundreds of thousands demonstrating in the streets.

The French Communist leader, first secretary since 1972, will be 70 in June. He is fighting off, apparently successfully, another in a long series of attempts within the party to topple him and launch reform. His plan, insiders say, is to have himself elected party president and install a loyal henchman in his place to perpetuate his rule.

It is probably as well for France. Mr. Marchais has presided over a decline of the French Communists' vote by well over half, from a powerful force that blocked alternating politics to a marginal role on the national scene, about 8 percent now. The reformers argue, probably correctly, that the share will keep dropping almost to the vanishing point if they don't get rid of him and freshen up.

Events in Eastern Europe and the Soviet Union are affecting the French Communists, but they still hold some crucial strongholds. They dominate the major labor federation, the CGT, and run the floor in a lot of factories. They have a shrinking but substantial string of local governments — not only in the suburban Paris "Red Belt" — which control patronage. They have flourishing enterprises and a big publishing house.

As the late Averell Harriman wrote when he was recollecting his role at the Yalta conference, there was good reason in the early postwar period to fear that both France and Italy would fall under Communist rule. That, he believed, was Stalin's reason for not demanding the partition of Germany at Yalta and for accepting joint four-power control, with the United States, Britain and France. Moscow changed its stand later, but at the time Stalin hoped to get it all.

The French party has always been firmly Moscow-bound. At one point, a Socialist prime minister said that French Communists were "not to the left but to the East." Now Mr. Marchais pays lip service to perestroika, but he is clearly more comfortable with Mikhail Gorbachev's conservative Soviet critics than with "new thinking."

There was a brief period in the 1970s, less than a year, when the French flirted with "Eurocommunism" alongside Italian Communists trying to distance themselves from Moscow. But they snapped back and proclaimed Leonid Brezhnev's heritage and now Eastern Europe's experience before the fall to be "on balance, overall positive."

Even the brand-new ex-Communists of the East see their French comrades as an anachronism. "I have the impression," Romanian Prime Minister Petre Roman said on French television, "that the French Communist Party hasn't made a complete, a basic analysis of its Stalinism."

Mr. Marchais is a glib, almost clownish old apparatchik who rules his clan with a table-thumping fist and performs so outrageously on television that he is considered prime entertainment value by much of the French bourgeoisie. Since he can't rely on armies and secret police forces such as kept Easterners in power, his survival as vest-pocket totalitarian is something of an achievement.

He has done it with astute Leninist command tactics, patronage, an appeal to nostalgic bonding for the cause, and discipline. The Moscow correspondent of L'Humanité, the French party's daily paper, recently wrote a critique from the point of view of Gorbachevian reformism. L'Humanité refused to print it, so the correspondent sent the article to Le Monde, where it appeared — a grave breach of fealty. L'Humanité now has a second, more circumspect correspondent in Moscow.

With or without reform, the French Communist Party is bound to continue weakening, although polls show that among its sympathizers, 49 percent don't want Mr. Marchais ousted, 55 percent feel "close" to him, and 58 percent don't think that recent developments in Eastern Europe amount to a condemnation of communism.

But the financial support they have always received from the East is diminishing, and there have been some mini-revolts of Communist officeholders who would rather keep their jobs than their party's approval. One mayor named a local street for Timisoara, and was roundly denounced by the leadership.

A considerable part of the electorate lost by the Communists has gone to the far-right National Front of Jean-Marie Le Pen, a sign that extremists prefer some kind of extreme and that the protest vote is determined to protest.

Still, there is a core of the faithful and the true believers. They fear blurring the identity line that separates them from Socialists if they mellow their orthodoxy. They chose communism because of the idealism of its rhetoric, their revulsion at capitalist injustice and their yearning for absolute conviction. There will always be some who succumb to these attractions of a dogma, whatever it's called.

The New York Times.

Year One: Concerns About Bush

By Charles Peters

WASHINGTON — During 29 years in Washington, I believe I have learned to recognize certain early warnings of trouble in the behavior of a new administration. Some are already evident in George Bush's.

One is giving important positions to losers. There are two conspicuous examples in the cabinet: Manuel Lujan as secretary of the interior and Lauro Cavazos as secretary of education.

Another bad sign is a Nixonian phobia about leaks. Here is how a top Republican describes the attitude: "I think you know how obsessed George Bush is about leaks. What you don't know is the fullness of that obsession. It's right up there as one of his core values. You know, service, religion, leaks." The attorney general, Dick Thornburgh, calls leaks "criminal."

The fact is that only a handful of leaks, usually involving genuine national defense secrets, are truly deplorable. The rest are harmless or positively desirable. Leaks can be used by lower-level employees to make facts public that are being suppressed by their superiors. This should be encouraged, not discouraged. Wouldn't it have been better if a NASA employee had leaked news about those defective O rings before the Challenger disaster?

Instead of concealing unhappy facts about its programs, an administration should make itself face the bad news while there is still time to do something about it. But here, too, there are early warning signs.

Consider the Office of Management and Budget, which Richard Neustadt once described as the president's "eyes and ears." As the scandals with the savings and loans and the Department of Housing and Urban Development suggest, it has tended to be short of sight and hard of hearing.

Unfortunately, Mr. Bush and Richard Darman have made few of the organizational and personnel changes needed to turn OMB into an effective monitor of the executive branch.

In fact, some personnel moves are simply awful. Carol Crawford, the OMB official in charge of overseeing HUD, failed to warn of the disasters that were to come, yet she has been promoted to a high position at the Department of Justice. Her successor at OMB is Janet Hale. Guess where she worked before? At HUD, where she rejected the inspector general's warnings of impending catastrophes.

Part of finding out what is wrong is simply being accessible, and on that score Mr. Bush has done well; he talks to a lot of people. But the real question is what they say when they talk to him, and on that score the news is not so good. When a reporter asked John Sununu recently if he spoke his mind to the president, the reply was, "Not very often and only when asked." If the White House chief of staff hesitates to speak frankly, it seems unlikely that lesser subordinates will err on the side of excessive candor.

The most important early warning of all is Mr. Bush's failure to provide inspiring leadership. A nation that should be sick of selfishness and greed needs a president who appeals not to its worst but to the generosity and idealism that characterize America at its best. So what does Mr. Bush do? He says let's give the greedy more by lowering the capital gains tax.

His most disturbing concession to the selfish involved catastrophic care. As the politics of selfishness came to dominate in the '70s and '80s, Washington lobbies increasingly imitated the National Rifle Association in following the lead of their most extreme members, refusing to concede any weakness in their position or any virtue in their opponents' arguments. Until 1988, lobbyists for the American Association of Retired Persons had been no exception. Then they took a risk. They conceded that the affluent elderly, because of the other benefits they were getting, should pay for the catastrophic care program.

It was a reasonable concession but it enraged wealthy senior citizens, who mounted a vigorous campaign against it. Congress was torn — and confused by conflicting positions taken by different members of the administration. At a press conference on Oct. 13, a reporter asked the president, "Don't you think you have an obligation to figure out a way out of the current mess?" "No," said Mr. Bush.

Catastrophic care was lost. The selfish had won. Those AARP lobbyists, who for once had tried to be fair, now stood rebuked. They won't make the same mistake again, and neither will other lobbyists. The cost to the republic will be immense.

The writer is editor of The Washington Monthly. He contributed this comment to The New York Times.

100, 75 AND 50 YEARS AGO

1890: For Arbitration

NEW YORK — The Argentine and Brazilian delegations to the Pan-American Congress have signed a resolution in favor of international arbitration. In case of war the triumph of arms shall not convey rights to the territory of the vanquished. In a word, they propose a Republic of Republics. In the United States the feeling is that commercial union is desirable, but that no increase of Uncle Sam's vast territory should be aimed at.

1915: Azerbaijan Crisis

PETROGRAD — To repress Turkey's aggression, Persia has sent about 2,000 mountain tribesmen against the invaders of Azerbaijan. Persia has suffered so severely from international crises that she has no proper army left. These armed tribesmen, who are sufficiently trained warriors to harass the Turks considerably, will be led by the Persian heir-apparent, the Shah's brother, who is fifteen years old.

1940: Meatless Days

PARIS — The culinary inventiveness for which French cooks are famous prevented France from going hungry yesterday [Jan. 16] as the newly-decreed "three meatless days" a week became effective. Chefs had to rely on such meat substitutes as sole, truffles and lobster. The government also assisted by ruling that fowl and game as well as tongue, liver, feet, brains, and other edible meat parts were not strictly meat. Special "fish express" trains are now running into Paris from fishing ports. The decree is to insure the army the first choice of the herds. Other decrees included: renters of apartments and hotel rooms, unless they were young, unmarried women or members of a religious society, could be called upon at any time to surrender their quarters to military authorities; inventors learned that it was illegal to conceal their discoveries or to prevent their development even if patented, and concealing one's true profession was against the law.

OPINION

How to Beat the Interests That Live From Smoking

By George F. Will

WASHINGTON — Democracy rests on three assumptions: personal responsibility, individual rationality and the efficacy of information. Smoking, and attempts to hold cigarette companies liable for its costs, show how all three assumptions, although valid as generalities, are problematic in particular cases.

How does society hold liable a manufacturer who merchandises, by regulated advertising, a product that society makes legal? With difficulty, especially when the product is cigarettes. In America since 1954, 321 suits have been filed against cigarette companies that have not been forced to pay a penny in damages.

A New Jersey court recently overturned a $400,000 award to a widower whose wife died of cancer at age 58 after

There is a social consensus that smoking is injurious.

42 years of smoking. At issue was whether, prior to 1966, when government-mandated health warnings were put on cigarette packs, the manufacturer had misled, knowingly or otherwise, the woman about the risks of smoking. A related issue was apportioning to the woman her share of responsibility for her behavior.

Some anti-smoking activists want to ban cigarette advertising. Constitutional protection of commercial speech is so limited that the Supreme Court seems to have held that if an activity can be prohibited, so can advertising of it. Congress could prohibit the sale of cigarettes, so it can prohibit advertisement of them.

But some of the $2 billion spent in the United States each year on such advertising is aimed at existing smokers and is designed to win market shares, not create new smokers. The most dramatic drop in smoking — 17 percent in a decade — occurred in the United States, a nation saturated with cigarette advertising.

Anti-smoking litigators have other strategies drawing on fresh science and changed liability law. A 1986 surgeon general's report did what the landmark 1964 report did not. It declared cigarettes addictive, meaning they produce chemical dependency that the dependent person knows is injurious. About 80 percent of America's 51 million smokers say they want to quit. But among those who do quit for the first time, there is a 75 percent relapse rate, the same as the rate among alcoholics and heroine addicts.

It now seems clear that the companies, too, have for many decades known that their product is inherently injurious. As early as 1954, they mounted an advertising campaign calling public health their "paramount" consideration and asserting that cigarettes "are not injurious to health." Oh? "Have you a coffin nail on you?" asks a character in an O. Henry story written in 1907. In 1964, the surgeon general's first report connecting smoking with cancer confirmed common knowledge.

Twenty-six years later, litigation proceeds against a background of a social consensus that smoking is injurious, even to bystanders. The anti-smoking campaign, which occasionally has invited caricatures as extremists in ideology and aims, actually is gradualist and market-oriented. It aims to establish rational allocation of the staggering social costs of America's most dangerous consumer product.

Anti-smoking forces want to avoid case-by-case casuistry about what percentage of blame should be apportioned between sellers and consumers of the product that is America's principal preventable cause of death. (The New Jersey woman was found to be 80 percent to blame.) Rather, it looks to "risk-benefit" liability theory.

Under that theory, a jury can find a manufacturer liable for a product because the risks of its use far exceed benefits. A jury may so find even if there is no negligence by the manufacturer, even if the purchaser has been warned, and regardless of what product claims were or were not made. Under this theory, society can say: We have long since decided that cigarette sales shall be legal, but we now say that manufacturers should be liable for the known and predictable costs of their participation in the marketplace.

Straightforward imposition of these costs by a tax — a political impossibility — would add at least $2.25 to the price of each pack. But the price also can be driven up by a flood of liability judgments of the sort that led asbestos companies to settle rather than contest cases.

The price mechanism matters because a person who does not become a smoker by age 20 is highly unlikely ever to become a smoker. Young men (much more than young women — no one is sure why) have highly price-elastic demands for cigarettes. A 10 percent increase in price might mean a 12 percent decrease in demand.

Cigarette companies are winning in courts but are being routed in the culture. In the mid-1950s about half of all Americans over 18 smoked. Today about 26 percent do. If liability law ever aligns with the flow of social feeling, the following scandalous numbers will change: America spends $35 billion annually on smoking-related illnesses and suffers $65 billion in lost productivity. Even pessimistic projections for AIDS deaths in the late 1990s amount to one-eighth the annual toll (390,000) from smoking.

Safety problems with the Ford Pinto's design provoked national indignation and galvanized government action against the flaws responsible for 59 deaths. Anti-smoking litigants, paladins of a virtuous intolerance, seek similar energy against a product implicated in 59 deaths every 79 minutes.

Washington Post Writers Group.

A Lot of People in Miami Are Anxious to Celebrate

By Howard Kleinberg

MIAMI — An electronic sign over a Miami-area auto dealership flashes the words to thousands driving by: "Now Manuel, Next Fidel."

At a Roman Catholic church several miles away, the predominantly Cuban-American parishioners participate in a weeklong prayer vigil seeking the liber-

MEANWHILE

ation of Cuba. The Cuban-born auxiliary bishop of the local archdiocese tells worshipers, "For God, nothing is impossible and all is possible."

There is a countdown of sorts among the hundreds of thousands of Cubans who have fled their island in the past 30 years. They point to Poland, East Germany, Bulgaria, Czechoslovakia and Romania. If communism has died there, surely it will collapse in Cuba.

This will be the year, so many feel.

There is an electricity about it, fed by the highly emotional and influential Spanish-language radio stations that fill the Miami airwaves.

For exiled Cubans, there always was "next year," a time that never came. Decades of hope have turned to frustration. Talk of liberation by force has evolved to watching the clock: "This year Fidel is 63, surely he will die soon and that will be the end of it."

But events in Eastern Europe have played heavily on exile expectations. Perhaps Fidel's mortality is not the only hope. Perhaps what happened in Europe will happen in Cuba.

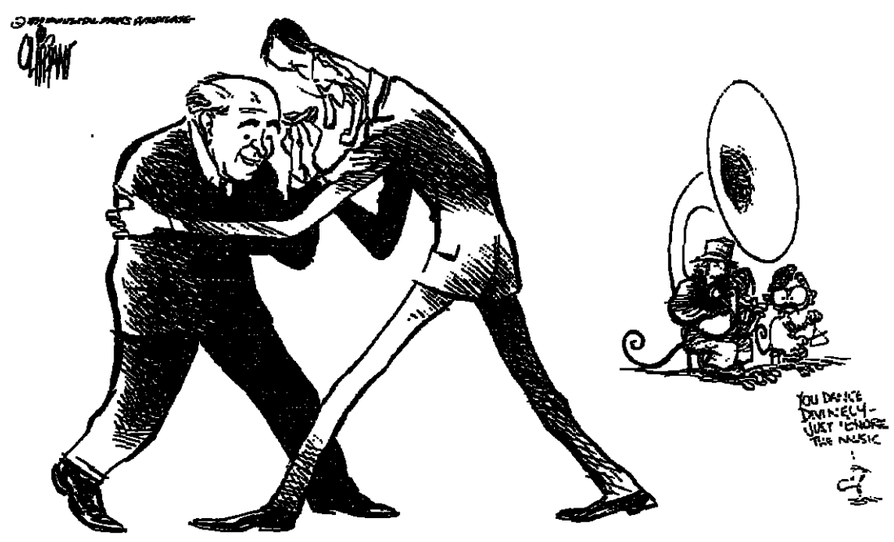
What makes the Cuban situation different is that seemingly all opposition to the Castro Communist government either is rotting in jail or is in Miami.

There does not appear to be an internal force of dissent. Unhappy Cubans continue to escape the island daily on small rafts, ridding Fidel of his dissenters. Is there enough of an opposition remaining to have 300,000 fill a Havana plaza demanding an end to Communist rule?

For the three decades of his control of the Cuban government and mind, Mr. Castro has outfoxed his anti-Communist citizens by getting them out of the country. (He even got rid of many of Cuba's criminals, by opening the gates to the port of Mariel in 1980.)

In Miami, where there are now close to a million people of Cuban heritage (both exiles and hundreds of thousands born in the United States of exiled parents), the war of words has gone on for decades. But that is all it has been. All talk of a physical overthrow of Fidel Castro has been tempered by the fact that it did not happen, did not even come close to happening, after the 1961 Bay of Pigs fiasco.

Yet there is a ray of hope now in the example of Romania. It was believed



that significant opposition to Nicolae Ceausescu long had been eliminated by that country's secret police. Yet who were those hundreds of thousands demonstrating for change; who were those courageous thousands who took up arms in a short, bloody revolution?

It is difficult to imagine that happening in Cuba, an island nation with no land borders to sneak across for escape or to bring in arms shipments. The path from Miami to Havana is across water — difficult and exposed.

The significant opposition to Fidel Castro is 180 miles (290 kilometers) from Havana, on the streets and over the airwaves of Miami. What must happen in Cuba must happen from within, just as it did in Poland, East Germany and the other East European nations.

Fidel Castro has been weaning himself from Soviet dependency. (Perhaps he has not been leading the way so much as the Soviets have been telling him that the free lunch is over.)

Mr. Castro does not subscribe to the new thinking of the Soviet Union. He sees what has happened as a result of it, and as a threat to him. Instead, he moves closer to dogmatic China, but there is no great economic benefit to that.

What needs to happen in Cuba is for conditions to get worse. There is every indication it is happening. Then the faceless opposition, those who did not flee to Miami, will start filling the plaza.

In Miami, there is an annual festival put on by the Cuban-American community. Called Calle Ocho, after the Eighth Street neighborhood where the first exiles came to live, the two-day event draws close to a million revelers. This year it starts on March 11.

Fed by fierce emotion, the expectation is such that many are certain this will not be the only such festival held in the streets of Miami this year.

Cox News Service.

LETTERS TO THE EDITOR

As Moscow's Thinking Changes, So Should Washington's

William Safire and others refuse to accept that the Soviet Union is changing, and warn America not to spend its "peace dividend" ("*'Yogi Berra Geopolitics': This War's Not Over Yet," Jan. 5*). But Washington spent its peace dividend long ago when President Ronald Reagan ran up the federal budget deficit and America went from the world's biggest creditor nation to the world's biggest debtor. Meanwhile, Mikhail Gorbachev is seeking to reduce military spending partly because of its weight on the Soviet economy. The United States should do the same.

Mr. Safire has taken a thoughtful, if overly pessimistic, analysis of perestroika and its future (*"The Soviets' Terminal Crisis: All Roads Lead to Impasse," Jan. 5, by "Z"*) as justification for continuing the Cold War. He seems to ignore that the world's power structure is increasingly determined by economic might, not military force. He derides those who preach stability. Yet even if Z were right, perestroika were to fail and Mr. Gorbachev were to be replaced, a radical reversal in Soviet foreign policy would be unlikely. Change has come too far.

CARLO G. CAVAGNA.
Bologna, Italy.

Those who are trying to ensure the downfall of Mr. Gorbachev by relentlessly predicting it will no doubt, should it happen, say, "We told you so." This attitude is all the more incomprehensible, and reprehensible, since Mr. Gorbachev is now doing precisely what they have been seeking for the past 40 years — liberatiion of the people and economies of Eastern Europe.

JEANNE VICKERS.
Geneva.

Mr. Gorbachev has convinced many of the futility of continuing the Cold War and has shown a firm understanding that the policies of this century, which brought dozens of wars and the deaths of hundreds of millions, cannot be allowed to continue. His conviction that we must overcome outdated military doctrines and artificial barriers between people and states is the key to building a world community for the 21st century.

DOUGLAS MATTERN.
Palo Alto, California.

Soviet communism will ultimately give way to marketization, privatization and the rule of law, as it should. This will take place sooner if we help Mr. Gorbachev. Refraining from doing so may catalyze what Z calls the "military reaction so feared by Moscow liberals."

ALI YAHYA.
The Hague.

Z should try to overcome some of his or her smugness about the problems and upheavals in the East bloc and consider another side to the story. Communism retains its appeal for many Central and East Europeans. The dramatic changes taking place represent not the failure and repudiation of communism but the belated recognition that the governments of the region failed to implement a decent approximation of communism. Communism is not supposed to involve repression or deprivation. It is an attractive ideal which, whether or not it can be attained, may yet be worth striving for. Any useful guide to U.S. policy must take this into account.

JEFFREY H. ODELL.
Berlin.

Regarding "What World Do These Leaders Live In?" (Opinion, Dec. 9):

In criticizing those who "tell us the West and the Soviet Union share one great enemy, political instability," A. M. Rosenthal confuses the desire to maintain stability in Eastern Europe with support for the political status quo. While radical internal reforms seem both desirable and inevitable, the precipitous collapse of the Warsaw Pact alliance is neither. If through free elections East Europeans reject membership in the pact, that is their right. But if there are to be such elections, what is needed is ungrudging Western support — both moral and material — for internal reforms.

MATTHEW RENDALL.
Leningrad.

A Little Fun in Russia

Regarding "Right After Glasnost Came the Miss Moscow Contest" (Opinion, Dec. 7) by Ellen Goodman:

The writer apparently wishes that the Soviet people, freed from decades of cultural repression, would bypass all that Pet Rock, Miss America, McDonald's, Bloomingdale's tackiness and just get on with ... with what?

The Soviet people are excited that they can now finally express themselves, something Americans have always taken for granted. Let them have fun, even if it means an amateurish beauty contest or two. They're not hurting anyone.

CLINTON L. DOGGETT JR.
Cairo.

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GENERAL NEWS

In Silent China, a Lone Dissenter Speaks

By Nicholas D. Kristof
New York Times Service

BEIJING — Like a thick carpet of snow, silence has settled over China. In muffled voices, among friends, some people still mock their leaders and dream of change, but despite the lifting of martial law last week they are quiet in public, or they are in jail.

Everyone except Hou Dejian.

Seven months after violence erupted around him on Tiananmen Square, five months after he came out of hiding in the Australian Embassy in Beijing, Mr. Hou has decided that it is time to shatter the silence.

"I hate violence," Mr. Hou, one of China's best-known pop singers and songwriters, said in an interview in his apartment here.

"I don't think it's good to take a gun and shoot Deng Xiaoping, or to use violence to overthrow the Li Peng government. But I can't keep quiet. I want peaceful change in China, and I want to help that process."

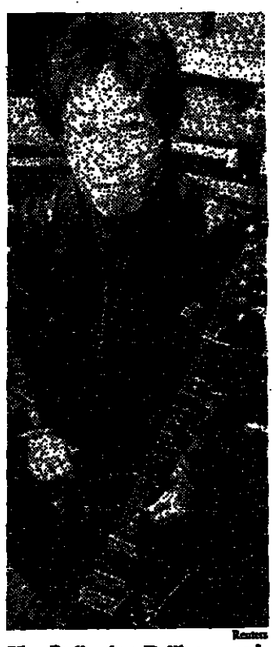
"There has to be change," Mr. Hou added somberly. "Otherwise we will face what happened in Romania.

"If nobody speaks out and the economy deteriorates and the Li Peng government goes on treating the people as if they're enemies, then the people will be turned into the enemies of the government. In Chinese, we have a saying: 'You force us to overthrow you.' So now I'm telling the Li Peng government, 'Don't force the people to overthrow you.'"

In private, many young Chinese are bitterly critical of Mr. Deng, the senior leader, and especially of Mr. Li, the prime minister. But what makes Mr. Hou unusual is that in the last few days he has decided that he is willing to voice criticism publicly, even to foreign journalists.

When a reporter asked him if it was really possible to quote him on such things, he scarcely paused.

"I'm afraid to die, and I would hate to be imprisoned," he said. "But I'm prepared for this. I've made up my mind to make noise."


Reuters

Hou Dejian in a Beijing recording studio. "There has to be change. Otherwise we will face what happened in Romania."

A lean 33-year-old with an easy laugh, Mr. Hou has always been an iconoclast.

A native of Taiwan, he defected to the Chinese mainland seven years ago, and his songs were promptly banned on Taiwan. His independent way of thinking wore out his hero's welcome from the Communist authorities, and these days his works are banned here — although they are again allowed on Taiwan.

In a song written during the democracy movement last spring, Mr. Hou referred to the oppressive political atmosphere and asked:

What is the weather today?
The sky drops lower and lower.
Why is it still not raining?
What is the weather today?
Tell us, how can we breathe?

On the night of June 3, Mr. Hou was in the center of Tiananmen Square, on a hunger strike with three other intellectuals to galvanize opposition to martial law.

When tens of thousands of army troops battled their way to Tiananmen Square, killing hundreds and wounding thousands along the way, Mr. Hou negotiated with the troops to allow the students in the center of the square to leave.

According to Mr. Hou's account, much of which is confirmed by others who were there, he and other protest leaders first appealed to those around the monument to give up anything that might be used as a weapon.

After 20 minutes, one worker was finally persuaded to give up a machine gun with which he had planned to defend the square from troops. Mr. Hou said Liu Xiaobo, another hunger striker who now is in prison, smashed the gun to make it inoperable.

And so, at about 5 A.M. on June 4, the 3,000 students remaining in the center of Tiananmen Square marched out.

Mr. Hou said that he was in the rear and did not see anyone remaining, but that a small number could have stayed without his necessarily seeing them.

Two days later, Mr. Hou learned that his friend and fellow hunger striker, Mr. Liu, had been arrested.

So Mr. Hou sought refuge in the Australian Embassy, and stayed for more than two months. He left after receiving a written guarantee that he would not be punished and that he would be allowed to travel freely to and from China.

Immediately after he left the embassy, Mr. Hou gave interviews to the official press in which he asserted that he had seen no one killed in Tiananmen Square. The interviews were used by the Chinese government to back up its assertion that there had been no massacre in the square.

Some young Chinese felt betrayed after seeing those interviews, and there was speculation that Mr. Hou bought his freedom by backing the government line. In his defense, Mr. Hou says that Communist officials told him he had to give the interviews, and that in any case he told the truth.

Shortly after June 4, there were reports of a massacre of thousands of students in the center of Tiananmen Square. Now those reports are widely though not universally discounted, partly because of the testimony of Mr. Hou and others who were there.

The consensus is that while troops fired on crowds in many parts of Beijing, including the Avenue of Eternal Peace, at the north end of the square, and that hundreds were slain, there was little or no killing of those students gathered in the center of the square.

Mr. Hou says he has no idea whether anyone died in the center of Tiananmen Square.

Asked about reports that students were killed shortly after leaving the square, he says he was told by a witness that 11 were killed several hundred yards to the west, as they tried to make their way home.

What is important, he said, is not where people were killed but that they were killed at all.

These days Mr. Hou is unable to give concerts or make records, and despite assurances from the authorities, he has been told to "wait for a while" before leaving China.

So Mr. Hou spends his time with his music, singing blues and writing songs.

In one written June 3, just before the troops attacked, he says:

Everything can be changed.
Nothing is too far away.
Let's prick our ears like a dog,
And nobody can lie to us any more.
Let's pry open our eyes, and
Nobody can distort the truth again.

"Before June 4, I wasn't a dissident or protester," Mr. Hou said. "Now I'm training to become one."

Chinese Newspaper Points to New Party Purges

Compiled by Our Staff From Dispatches

BEIJING — The People's Daily hinted broadly Tuesday at new purges and dismissals within the Communist Party, saying that the party must be led by people loyal to Marxism.

Striking a hard-line tone, the paper said in a front-page commentary that the struggle against Western ideas would continue.

"Those who aren't firm in their political stance, whose political caliber isn't high enough or who are just opportunists pretending to be loyal should not be given responsible posts," the newspaper said.

"If such people are in office, we must resolutely remove them," it said.

The newspaper said that any Communists who opposed the party must be kicked out before they destabilized the leadership.

The editorial appeared to deepen the official hard line, which was imposed after the crackdown on protest that began in June.

Since then, while the state-run press has carried articles warning of "strict punishment" for corrupt cadres, there has been no explicit mention of expulsion from the party for those accused of deviating from the party line.

One Western analyst said that Tuesday's editorial could signify that the leadership was preparing to resolve the issue of the former party chief Zhao Ziyang, who was removed in June on charges of supporting the pro-democracy protests and "splitting the party."

"They could be getting ready to expel him from the party," the analyst said.

(Reuters, UPI)

NEW YORK Herald Tribune

Abdication of King Edward Held Inevitable

Announcement of Move Expected Monday; Reported Ruler May Leave England Then

Simpson Noted ular Débutante d Charming Hostess

A CENTURY OF NEWS FROM THE ARCHIVES OF THE INTERNATIONAL HERALD TRIBUNE 1887 - 1987

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STAGE/ENTERTAINMENT

LONDON THEATER

Much Irony Lost In a Sea of Words

By Sheridan Morley
International Herald Tribune

LONDON — In what has thus far been a bleak New Year for the London theater, we should, I guess, be grateful for the Howard Barker season that seems to be occupying several stages around town.

A new company, formed to celebrate his often chilly and dislocated work, has brought two new plays, "Seven Lears" and "Golgo," to the Royal Court, while at the Almeida in Islington, the new artistic director, Ian McDiarmid, opens his management with a production starring Glenda Jackson of Barker's "Scenes From an Execution," a five-year-old BBC radio play, *though that is not being given* much of an acknowledgment.

"Seven Lears" starts promisingly enough, with the belief that guided Tom Stoppard through "Rosencrantz and Guildenstern Are Dead," notably that Shakespeare's major tragedies raise a lot more questions than they ever answer. Who for instance was Lear's queen? How did his elder daughter get to be so appalling? Where did Gloucester come from, and how did he get his title?

Edward Bond has explored some of these avenues in his variant "Lear," but just as the original play is endlessly revivable, so its themes should be endlessly ponderable.

The trouble with "Seven Lears" is that, lacking both the comic invention and stylishness of a Stoppard or the sheer dramatic intensity of a Bond, Barker is left with a series of aimless sketches of considerable obscurity and pomposity. None of them enlighten the original or have the strength to survive on their own in Kenny Ireland's somewhat chaotic production, one featuring the offspring of several theatrical giants (Jemma Redgrave, Julie-Kate Olivier) but no players of the stature or experience to rescue this inaccessible evening from the outer reaches of fringe indulgence.

"Scenes From an Execution" is much less ramshackle, but still suffers from Barker's resolute refusal to meet his audiences even halfway on the path to coherence or general communication. Indeed, the entire message of "Scenes From an Execution" *would seem to be that the* artist who makes himself or herself accessible is self-destructive.

But here we at least get Glenda Jackson in a towering performance (the one she gave in the original radio production) as Galactia, a fictional Venetian painter of the 16th century who has been commissioned to paint a huge mural commemorating the Venetian victory at Lepanto. Unfortunately, her painting turns out to be a severe attack on the bloodiness of war and she is duly arrested and imprisoned before achieving a kind of respectability by selling out to her patrons, this compromise being indicated by her evidently shocking willingness to have dinner with the man who has paid her for the painting.

Around Jackson, Ian McDiarmid's new production has assembled some superlative character-players, notably Jonathan Hyde as the dilettante Doge, Kevin McNally as Galactia's lover and Anna Nygh as the art critic who (predictably) finally arrives at the artistic and commercial compromise by which everyone manages to live more or less happily ever after.

None of them, however, can do much to overcome the ponderously top-heavy monologues with which Barker restrains them, and the irony of his play (a supposedly dangerous and unpolitic painting becoming a huge commercial success) is lost amidst an endlessly wordy debate about the nature of art versus authority.

The paradox of Barker is that he writes good parts in shaky plays that seem to give their actors more fun to rehearse than their audiences to view. It is not that his arguments are simplistic, for he nowhere allows Galactia to plead for total freedom of the artist, but that they are so hedged around with subclauses that all focus gets lost well before the end of any scene.

Gary Smith

Glenda Jackson in "Scenes From an Execution."

The Real Pergolesi Stands Up

La Scala Scores With a Scholarly Revival of 'Lo frate 'nnamorato'

By David Stevens
International Herald Tribune

MILAN — The history of La Scala in this century is written mainly, if not exclusively, in the names of its musical directors, first Arturo Toscanini, then Victor De Sabata, more recently Claudio Abbado and now Riccardo Muti. If Muti evokes most intensely the musical passion of Toscanini — and he does — it is because he burns at white heat for the things he thinks La Scala, and Italian music in general, should stand for.

Muti is also a child of his time, meaning that he is a resolute advocate in the theater of recent musical scholarship, of unflinching completeness, and of the unjustly neglected. So it is that Italy's premier opera house has begun its season with a revival of one of Verdi's least appreciated works, "I Vespri Siciliani," followed closely by the first authoritative modern production of Giovanni Battista Pergolesi's "Lo frate 'nnamorato," a product of recent archaeology in the output of a short-lived composer whose posthumous fame far outstripped his reputation in the 26 years of his life.

The posthumous reputation was due mainly to "La serva padrona," a two-character intermezzo meant to be performed during the intermissions of an *opera seria*. A production of it in Paris in 1752 split the French capital into two musical camps 16 years after the composer's death. Rousseau, Diderot and other intellectuals used the Pergolesi work as a rallying point in the *querelle des bouffons*, hailing its simplicity and naturalness, in opposition to the aristocratic support of what they regarded as the boring and dated French operas of Lully, Rameau and company.

Unhampered by copyright laws, let alone scruples, music publishers of the time attributed many works written by others to Pergolesi — a common sales-boosting tactic. In recent years scholarship has shown, for instance, that even Stravinsky was conned. His "Pulcinella," a reworking for Diaghilev of pieces supposedly by Pergolesi, is largely based on music dubiously or spuriously attributed to him until recently.

Aside from this debunking, however, a New York-Milan axis of scholars has been at work on a critical edition of Pergolesi's output in his five or so prolific years as a mature composer. These include eight still existing completed operas, of which "Lo frate 'nnamorato" is one of two full-length comic works. In proper Italian it would be "Il fratello innamorato," but it was written for a popular Neapolitan theater and its text like its title is written in a literary version of Neapolitan dialect. The libretto printed in the book-size La Scala program is accompanied by large tracts of footnotes to help other Italians to understand the text.

The result, in Francesco Degrada's reconstitution, is charming, funny and sometimes touching, and should be a useful addition to the repertory. After a somewhat monotonous beginning it blossoms out in a variety of musical styles, with buffo and serious

Pergolesi's posthumous fame far outstripped his reputation in his 26-year life.

elements running side by side, ranging from folklike melodies to parodies of *opera seria* and outright buffo shticks. The subtle musical differentiation of the various sentimental attachments is astonishing in so young and supposedly inexperienced a composer.

The "enamored brother" of the title is a *Cherubino-type* youth (sung by a soprano) in love with all three of the women in his proximity, who all return his affection. This and several other amorous complications are unraveled when it turns out that Ascanio is the brother of two of the women and thus is free to decide on the third.

There are two full-scale buffo parts, the Pantalone-like Marcaniello (hilariously sung and acted by Alessandro Corbelli), whose music incorporates his gout-inspired groans, and his strange son, Don Pietro (whose bizarre behavior was not fully realized by Bruno De Simone). Two young but worldly maids add to both the sentimental and comic variety, especially in an uproarious slanging match rich in Italo-Neapolitan billingsgate.

In a well-balanced cast, Nuccia Focile in the title part, and two mezzos, Bernadette *Manca di Nissa and Luciana d'Intino*, stood out. Roberto De Simone's staging and Mauro Carosi's revolving unit set were subtly efficient, and Muti conducted with a firm but *light and sympathetic* touch.

It would be nice to report that a similar rehabilitation was worked in behalf of "I Vespri Siciliani," with which La Scala opened its season, but despite Muti's passionate and even frenzied efforts — and a completeness that included even the full "Four Seasons" third-act ballet — the miracle did not take place. The work includes some fine Verdian scenes, but even so it groans under the intractable requirements of the Paris *Opéra and the improbable* plot produced by Scribe's libretto factory. The full five acts, a total of four and a half hours in the theater, was more than some patrons were ready for.

Superb singing would have made the difference, whereas here it was routine to good. "Vespri" reappears at La Scala every couple of decades, and there were perhaps too many in the public who remembered the solid casts headed by the young Maria Callas as Elena in 1951 and Renata Scotto in 1970, to be impressed by this edition.

The cast in question included some changes from opening night. The American tenor Chris Merritt has been a key figure in the Rossini, Bellini and Donizetti revivals of late, but here — although coping easily with the musical demands — he seemed out of his element and unheroic as Arrigo, lumbered as he was with a costume that made him look like a portly bellhop. Kallen Esperian's Elena depended more on vocal charm than brilliance. Eduard Tumagian was a strong but not very subtle Guido di Monforte, and Carlo Colombara monochromatic as the fanatic patriot Procida.

Pier Luigi Pizzi's staging and designs transferred the action from the historically accurate 13th century to the Cavour-Garibaldi-Napoléon III epoch — also the period (1855) in which "Vespri" was written. Even though this era was the last gasp of French meddling in Italian affairs, the parallel was not clear. Pizzi's direction of his actors was all but nonexistent and the final scene of the Sicilian uprising against the French worked like a wet firecracker.

Micha van Hoecke provided brilliant choreography for the Act 3 ballet, giving some Scala dancers a chance for bravura display. The ballet got the most enthusiastic applause of the evening. At the opera, this is not a good sign.

OFFSTAGE

On Film, Chet Baker's Next-to-Last Tango

By Mike Zwerin
International Herald Tribune

PARIS — The longer he is dead, the harder it is to avoid Chet Baker. He has three records on the charts, he was elected to the Down Beat Hall of Fame, there are a book and two movies about him. An excerpt from an unfinished autobiography in the current Spin, a rock magazine, is titled "Rebel Without a Pause," describing him as "cool, tortured, beautiful and damned."

He keeps creeping into my petty space. I fought writing about him, and when Bruce Weber's great documentary film "Let's Get Lost" opened and closed months ago in the States, I thought I'd just keep quiet, but now the film is about to open here (next month), and I saw it, and it's wonderful . . . I'm beginning to glimpse a flicker of a smile on Chet's face out there in junkie heaven, where I imagine he has charmed himself through the gate.

It is a childish smile — childish not childlike. He's bragging: "I'm a bad boy." I once saw it in a populated dressing room after he opened a gram bag of smack and snorted it in one fell swoop. No *retiring behind a closed door, no* lines, no straw. If ever there was such a thing as a fell swoop, that was it. The remains of the nose candy were all over his mustache, a quarter of it must have dropped on the floor. He was like a kid with his hand in the cookie jar with the whole family watching.

He was a natural-born charmer who remained, in a strange way, *innocent to the end and who got* away with, if not murder, suicide for 57 years, fell swooping it all over the place. The bad boy as much as the great artist is the subject of "Let's Get Lost" the movie, which is one reason it's successful.

"Let's Get Lost" received largely negative reviews back home. Critics mostly said it was in bad taste, did not concentrate enough on his music and that much of the footage was irrelevant. "A high-gloss fashion spread for la dolce vita," said The New York Times (if this is la dolce vita, give me "The Damned"). Jazz and movie experts alike said that Weber, a well-known *fashion photographer* (Calvin Klein, Ralph Lauren) is too lightweight for his complex subject.

The combination is in fact brilliant. First, Weber is obviously touched by the man's music and a fashion photographer is just the ticket for a subject who was once compared to James Dean and touted as a future singing and movie star before, let's say, taking another direction. Robert Wagner once played a character based on him in a film, in which he serenaded Natalie Wood.

This tale of blown opportunity, physical decline, chemical dependency and finally unappreciated genius is not sad. When Chet says: "Bruce, I'm 57 years old," he implies he knew exactly what he was doing, understood his weakness as well as his strength. He managed to survive in his ways, extreme as they were. This is somehow not a downer, though you may walk out with moist eyes.

CHET was an artful dodger, manipulative; he got what he wanted. He would switch from one emotion to another in a flash. The movie, in black and white, captures all of that in full color. The title is a stroke of genius and even the shaky form reflects the unevenness and disorder of the hero's life. The screenplay for "Bird" — if not the film itself — accomplished something similar, jumping around in time and space with visual equivalents of the unexpected flick of an octave key and abrupt modulations to the bridge of "Cherokee." ("Round Midnight" was predictable, it didn't swing.)

When "Let's Get Lost" opens with a bunch of young people dancing and giggling on the beach in Santa Monica, you know it's the right track. Chet drives a dodgem car, grins in the back seat of an open convertible flanked by two beautiful, friendly young women, leafs for no apparent reason through a book of pinups. All of this footage has also been criticized as being foolish, unnecessary, sensational, and a fashion photographer running amok.

Many of Weber's off-camera questions were called unnecessary, insensitive and naïve. He asks Chet's *mother if her son was a* disappointment to her. After a poignant close-up hesitation, she answers: "Yes." He couldn't con her, or did he?

Musically, Chet rarely played beyond his ideas. His punctuation was poetic. He left you trying to assimilate what you heard, and wanting more. Falling out of that hotel room window in Amsterdam in May 1988 (before the movie was released) was a logical, impeccably-timed resolution. On the contrary, the two-hour film abuses its welcome by about 15 minutes. Ex-girlfriends and wives talk too long and Chet sings too much. His trumpet playing was more imaginative (with that unmistakable soulful breath vibrato) than his (dead-toned) singing. I always suspected he sang so often at least in part to rest his dentured embouchure. And I suspect that Weber is pandering by including so much of it.

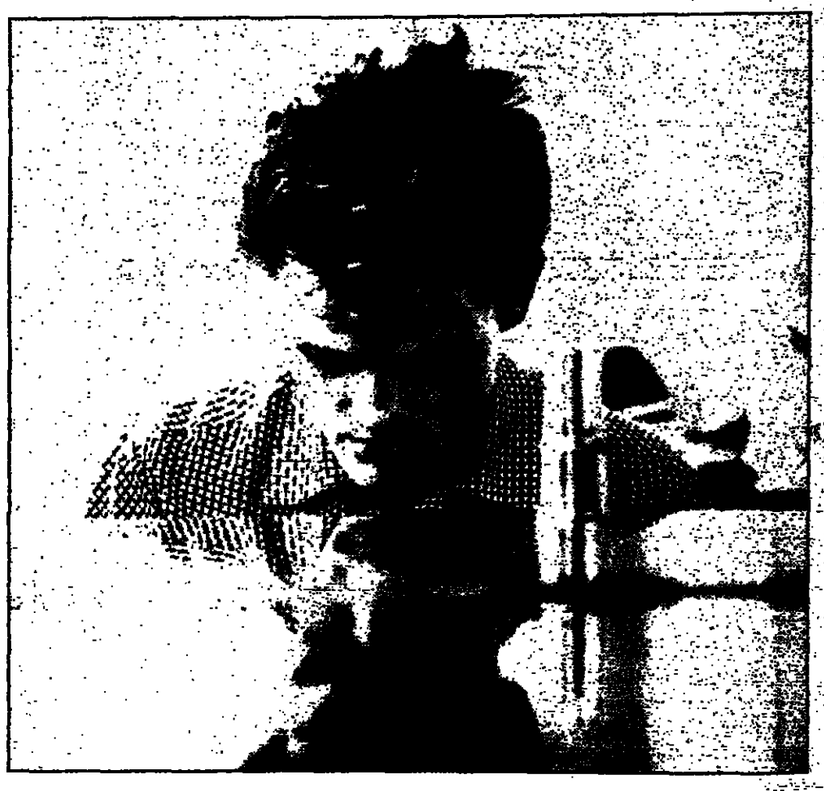
No critics discuss Chet's place in history, few talking heads in general, few contemporaries, recall the old days — trumpeter Jack Sheldon, a Baker sound-alike, is brief and very funny. (Sheldon asked Weber not to tell Chet how much he was being paid for appearing in the film so that our hero wouldn't hit on him for a loan). Chet's idea of humor is a Harry James impersonation — which he does very well — and then you realize that had he been born a generation earlier he would very likely have led a big band and lived in Las Vegas (Betty Grable and all). His continuing relevance is handled visually by the young people surrounding him (singer Chris Isaak, a young Baker look-alike, for example).

His friend Ruth Young contradicts Chet's version of the story of bow five black guys knocked his teeth out in San Francisco in the '60s. She implies it wouldn't have taken five guys and he probably provoked it anyway. When she mentions that he gave her a signed paper with the rights to his story, Weber says he has the same paper. *She looks shocked and then smiles,* not really surprised: "I guess we have something in common."

During the '80s, at the height of his art, he spent most of his time in Europe and Japan. (He barely placed on American polls and was ignored by the public.) He was never too far from Amsterdam, where a sympathetic doctor furnished him with a prescription for methadone. His Dutch agent once estimated that Chet was earning $200,000 a year at the end, most of which went up his nose or into his arm.

Weber plays the heroin down. The man was sick, though he was busted often and spent more than a year in a jail in Lucca, where he learned to sing in Italian. The smack is in the background until Weber tells Chet he realizes how hard these past few days must have been for him, since he ran out. But he has good news. They arranged to get methadone from the Amsterdam doctor and everything will be all right now. Weber has been called innocent for assuming that such a drug fan would not have scored to fill the gap, or could have functioned at all without doing so. Trying hard to keep his eyelids up, Chet tells him as much. The fact that Weber chose not to cut the exchange took a certain amount of personal courage and journalistic instinct.

It ends with an excerpt from an Italian movie with Chet under a tree singing to a girl in his arms. Around them, young couples dance, hug, kiss and cavort in a forest and we are reminded of how much lovemaking has been accompanied by Chet Baker records. And how much love he is still creating.



Chet Baker was an artful dodger, manipulative; he got what he wanted.

Dining Out

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ACROSS
1 Baltimore chops
5 Adds ——, Ethiopian capital
10 "Get lost, Morris!"
14 Jacob's twin
15 Seat in a bay window
16 Corn bread
17 Goodyear orchestra?
19 Wreck
20 Tough trip
21 Throw one's —— the ring (run)
23 A dry Burgundy
26 Gone by
28 Do over, as a roof
29 Gives someone a lift
31 Unchaste
33 Finally
34 Type of crocodile
35 "Treasure Island" auth
38 Entertainer Carter
39 Evangelist McPherson
41 Scrap
42 Cycle starter
43 Fashion item
44 Brightest star in Aquila
46 Of a nerve
48 —— del Fuego
49 Set off
51 Actor Gulager
53 Blair of "Marty"
54 Coat, in a way
56 Blind, in falconry
58 "Woe is me!"
59 Lofty Wright Brothers?
64 Labor leader Conboy, 1870-1928
65 Place for a VCR
66 First name in daredevilry
67 Antimacassar
68 Machine parts
69 Risqué

Solution to Previous Puzzle

A	P	E	R			M	A	S		A	C	H	E	D
M	O	P	E		P	E	L	T		M	O	O	R	E
A	C	I	D		E	M	I	R		O	N	I	N	E
H	O	C	U	S	P	O	C	U	S		S	T	I	R
			C	A	P		E	M	P	L	O	Y	E	E
S	C	H	E	M	E	D		S	A	U	L	T		
C	A	U	S	E	R	I	E			G	E	O	D	E
A	R	R			Y	E	L	L	S			I	I	I
B	A	L	B	O			Y	O	U	L	A	T	E	R
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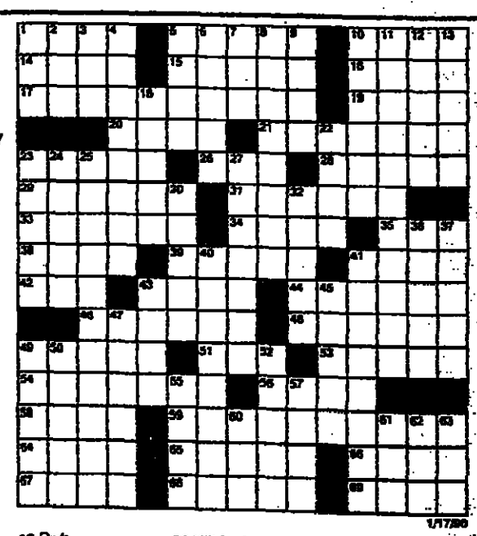
R	O	U	T		H	O	D	G	E	P	O	D	G	E
N	O	R	M	S		B	I	N	S		O	R	A	L
E	L	L	E	R		A	N	A	S		N	A	I	L
S	A	Y	N	O		L	A	R			A	T	T	A

DOWN
1 "Rings on —— fingers . . ."
2 Inst. at Ames
3 Check
4 Accountant's partial sum
5 Seaport in Israel
6 Rum cake
7 Heavenly Altar
8 Geniality
9 Star in "The Four Seasons"
10 More agile
11 Role for Geiger?
12 Writer Loos
13 Drift
18 Birds of merit?
22 "—— Love," Porter song
23 Intended
24 Modify
25 Hilarious Mister Bell?
27 Whitney's factory?
30 Flight member
32 Kilt feature
36 Retreats
37 Ramble
40 Still
41 Rainbow trouts, informally
43 Lambda followers
45 Cause for a suit
47 Soho scuttlebutt
49 Ron Perlman title role
50 Zhou —— of China
52 Courtroom doorkeeper
55 Lack, in brief
57 Frogs' cousins
60 Org. started by J. Low
61 December 24, e.g.
62 "Oedipus ——," Sophocles play
63 Nickname for Stallone



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MEDIA MARKETS

Ad Trends of the 1990s: Technology, Geography

By Randall Rothenberg
New York Times Service

NEW YORK — If the 1980s witnessed the transformation of advertising agencies into diversified marketing/communications conglomerates, the 1990s will mark the continuing evolution in the advertising images that people see and in the companies that provide them.

Although differing on who the industry's winners and losers might be through the coming decade, three dozen top advertising and marketing executives concurred in predicting that the top ad news of the 1990s will revolve around technology, geography, creativity and agency structure.

The following is a sample of their forecasts:

New research technologies will enable advertisers to aim at individual consumers.

New research technologies will enable advertisers to aim at individual consumers.

"The history of commercially successful media in this country has been tied to an audience-measurement system that advertisers and agencies accept, like Nielsen," said William M. Weilbacher, an advertising consultant.

"Single-source data is the big area of growth — you make a lot of different kinds of measurements off an individual. One of the things that will do is provide the measurement capability to permit this media revolution."

Malcolm MacDougall, the vice chairman of Jordan, McGrath, Case & Taylor, saw this changing the way advertising is judged.

"New technological devices will allow us to track sales almost instantly," he said. "We'll have electronic monitoring of the ads we create. The result of that will be more accountability than we've ever seen."

□

Media, in new forms and old, will proliferate.

"There will be more choices for consumers in terms of media, and more choices within each medium," said Brad R. Moore, division vice president of advertising at Hallmark Cards Inc. "It will make it more complex for us to reach consumers with advertising, and to make sure we're not neglecting whole groups of consumers who are not watching the typical mass media."

But James C. Reilly, general manager of marketing plans and communications at International Business Machines Corp., saw a paradox.

"While new media will be important to reach segmented markets," he said, "at the same time it will lead to more clutter and media choice for the end-user."

□

The giant ad agencies will collapse.

While this belief was universal among executives at smaller agencies, Hank Seiden, chief executive of Ketchum Advertising, New York, cautioned that it might not be a benefit for smaller shops.

"More clients will go toward house agencies," he said. "One of the first breaks was Ron Perelman at Revlon. He found Dick Tarlow, fell in love with him and then bought his agency."

□

Many medium and small agencies will disappear.

This view was widely held by executives of large agencies and clients.

"They'll have to be part of the global operations, because they can't survive the financial squeezes," said Eugene P. Beard, the chief financial officer of the Interpublic Group of Companies.

"And clients will want global agencies. Agencies like Jordan, Bloom & Hill, Holliday, with $200 million or even $500 million in billings — they'll have to join up with the globals."

Clay S. Timon, head of worldwide advertising for the Colgate-Palmolive Co., agreed. "I think you'll see a continuing consolida-

See ADS, Page 13

Poland, to Succeed, Must Go Cold Turkey

Jeffrey Sachs, professor of economics at Harvard, has made more than a dozen visits, under the auspices of a foundation backed by the Hungarian-born financier George Soros of New York, to advise Solidarity and the coalition government on Poland's austerity program. He has advised governments in Argentina, Bolivia, Ecuador, Venezuela and Yugoslavia during similar crises. After his last trip to Poland, he spoke with Lawrence Malkin of the International Herald Tribune.

Q. What are the similarities between Latin America and Poland?

A. When you arrive in a country with hyperinflation they explain — using identical words to the country you've just come from — why they're different. But you see the same distortions. When exchange rates become multiple exchange rates, whether it's socialism or capitalism, it's always identical. Grains and medicine get the lowest rate, and if you compare Poland's multiple exchange rate system with Peru's, you would get a perfect match.

In certain ways, this is a common disease, but it drives people nuts to hear it said. Both have very high inflation, financially bankrupt governments, distorted and closed trading systems, and very regulated private sectors with heavy bureaucratic intervention that characterizes rapid, state-led industrialization.

Q. And the differences?

A. In Eastern Europe these systems were brutally imposed and the private sector was thoroughly repressed ... There is no financial system, and the laws and institutions that support a market economy are just now being developed. But there is one very fundamental advantage for Eastern Europe: It is in Europe. That means not only a common culture, heritage, geographic proximity and low transport costs, but an overwhelming guidepost to politics. The Eastern Europeans want to rejoin Western Europe. That means there is a ready model for the target of what to do. Right next door you have what is becoming the world's largest integrated market in countries enormously respected and admired, and on top of that you have an extraordinary rich and vigorous market. Whether they want to become Thatcherite England or Social Democratic Sweden, the Poles have to do the same things in the next 12 months: Cre-

See SACHS, Page 12

Gamma
Jeffrey Sachs: Havard economics professor says Eastern Europe must adopt fundamental Western institutions in the coming year.

Loan Charge Drives Citicorp To Post Loss

Compiled by Our Staff From Dispatches

NEW YORK — Citicorp added $1 billion to its loan-loss reserves for Third World countries in the fourth quarter, the bank said Tuesday, a charge that prompted the largest U.S. bank to post a $784 million loss in the quarter.

The bank also subtracted $68 million from earnings for a restructuring that will cover the cost of closing unprofitable activities and goodwill writeoffs at Citicorp Scrimgeour Vickers. The unit lost $65 million in 1989.

Citicorp Scrimgeour Vickers said Tuesday it would lay off up to 140 London staff members in a restructuring of its institutional equities business. It said that up to 215 jobs would disappear, with 75 Scrimgeour Vickers employees being transferred to other Citicorp companies.

It said the London equities business would be restructured and integrated more closely into its pan-European capital markets business.

For the year, Citicorp earned $498 million, or $1.16 a share. The loan-loss charge came to $2.52 a share.

Citicorp is not issuing common stock to cover the reserve boost.

The bank's common equity to asset ratio now stands at 3.6 percent. Citicorp said it will raisethis number over the year by selling assets and nonstrategic businesses, by securitizing assets and through retained earnings.

Citicorp is now reserved at 38 percent of its medium- and long-term loans to less-developed countries. It was reserved at 29 percent, and is still one of the least reserved U.S. banks.

Citicorp had venture capital gains in the fourth quarter of $127 million before taxes.

Domestic cash basis commercial real-estate loans were flat in the quarter but rose by $617 million in 1989, mostly in the first and second quarters, Citicorp said.

Total nonaccrual loans, excluding loans to less developed countries, rose in the quarter by $30 million and by $1.1 billion in the year.

Foreign-exchange trading profits fell by $38 million in the quarter, to $124 million. Citicorp said this was mostly due to decreases in Asia, partially offset by rises in Europe. They fell $145 million in 1989, to $471 million.

Revenue from other trading activities, such as bond trading fell by $21 million for the year, to $256 million, and by $1 million in the fourth quarter, to $36 million.

Fees and commissions rose by $487 million, to $4.4 billion over the year. They rose by $163 million, to $1.2 billion, over the fourth quarter, mostly from "continued momentum in the credit-card business and increases in the international consumer business," Citicorp said.

In addition to the reductions at Scrimgeour Vickers, another announcement of job losses in the City of London came Tuesday from County NatWest Securities Ltd., which said it laying off 79 staff members.

It said the cuts were part of "plans for developing its equity securities business into an integrated European operation during the 1990s," and to reduce overmanning caused by the merger with the brokerage Wood, MacKenzie in 1988.

It said 38 of the layoffs would be in its settlements division, the rest mostly technical staff members.

(Reuters, AFP)

■ Bank Combination Raised

Security Pacific Corp. would welcome talks with First Interstate Bancorp about a possible combination, but whether such negotiations take place is up to First Interstate, said Robert Smith, new chief executive officer of Security Pacific, Reuters reported from Los Angeles.

"If they were interested, we would like to talk to them," he said.

Security Pacific, along with Wells Fargo & Co., has been touted as a possible partner for First Interstate, which has been plagued by problems loans in Texas and Arizona.

Former Fed Chief Gets Campeau Post

Compiled by Our Staff From Dispatches

CINCINNATI — Campeau Corp.'s U.S. subsidiary has appointed G. William Miller, the former Federal Reserve Board chairman and Treasury Secretary, as its chairman and chief executive officer, following the giant retailing concern's filing for federal bankruptcy protection.

Mr. Miller, 64, steps into a job created when Campeau last week split its U.S. operations from the parent company, giving them operating independence.

The company also announced that it would change its name from Campeau Corp. (U.S.) Inc. to Federated Stores Inc.

The U.S. unit is the parent of Federated Department Stores Inc. and Allied Stores Corp., which were placed under protection from creditors under Chapter 11 of the Federal Bankruptcy Act on Monday.

In the Chapter 11 filing, Federated listed liabilities of $5.34 billion and Allied said it had $2.4 billion, according to court papers made available Tuesday.

Federated said its largest bondholder was First Boston Corp, holder of $429 million of bonds. Allied's largest bondholder was listed as Campeau, holding $100 million of bonds.

Other holders of large amounts of Federated bonds included Boston Safe Deposit & Trust Co., with $159.9 million, Manufacturers Hanover Trust Co, with $108.3 million, PaineWebber Funding Inc., with $96 million, and Campeau Corp., with $75 million.

As listed, Allied's other major bondholders included First Boston, with $97.5 million, Manufacturers Hanover with $38.4 million, Irving Trust, with $36.9 million and Security Pacific National Bank, with $35.6 million.

Lawyers involved in the case said court documents listed "hundreds of thousands" of creditors.

In a television interview, Mr. Miller said his job "will be to help restructure the company so that these very high-quality, profitable stores will be unburdened from the debt that has caused the problem."

The current chairman of G. William Miller & Co., a Washington-based merchant banking firm, has served on the boards of Campeau, Federated and Allied since 1987.

The U.S. subsidiary of Toronto-based Campeau operates such well-known department stores as Bloomingdale's, Rich's and Lazarus. The filing allows the stores to continue operating while the company reorganizes.

The filing Monday was the largest under Chapter 11 by an American retailer, affecting about 100,000 employees and 258 stores in the United States. It was the second-largest ever by a nonfinancial company, after Texaco Inc., which sought court protection in April 1987.

Mr. Miller originally joined Federated's board in 1976, but resigned two years later when he became the Fed chairman. From 1979 to 1981, he served as Treasury Secretary under President Jimmy Carter.

He was re-elected to the Federated board in 1981 and after Campeau bought the retailing company he joined the boards of Campeau and Allied.

Campeau also announced other changes regarding senior management at its U.S. operations, including the resignation of the chairman of its retailers. Ronald W. Tysoe, currently president of Campeau Corp. and Campeau (U.S.), will continue as president of the renamed Federated holding company, but he will phase out his responsibilities at the Canadian parent company. (AP, Reuters)

Pöhl Seeks an Enlarged Role for Central Bankers in the EC

Richard E. Smith
International Herald Tribune

FRANKFURT — Karl Otto Pöhl, president of the Bundesbank, said Tuesday night that European Community central bankers must take steps toward monetary integration even before government leaders meet later this year to set up the legal framework.

In a speech in Paris at a conference organized by the newspaper Le Monde, Mr. Pöhl gave the impression that these steps, as well as longer-term strategies, would increasingly be planned by the committee of EC central bankers that meets monthly in Basel and in which Mr. Pöhl has a leading voice.

The Bundesbank made copies of the speech available in Frankfurt.

Mr. Pöhl said the committee decided in January to expand both its staff and "the scope of its deliberations." Such moves may upgrade the forum to a key policy-making body.

Mr. Pöhl was recently elected chairman of the committee for an unprecedented three-year term that will cover the crucial period in which the EC works to launch its single market in 1992 and in which the EC Commission president, Jacques Delors, pursues his three-stage plan for monetary union.

Using his strategic position as president of the committee, Mr. Pöhl has been expected to do all he can to fashion a European central bank system along lines of the West German structure that guards the Bundesbank's monetary policy from political interference.

He repeated Tuesday his frequent calls for guarantees of such independence as well as his wish that moves toward monetary union could have been delayed "to gain a few years' experience" with the steps toward monetary cooperation already taken.

He said he accepted the political decision to move faster, but seemed all the more intent on driving home his insistence that politicians leave monetary policy alone.

"This applies to the EC to an even greater extent than to national states because in a confederation such as the EC there is always a tendency to orient oneself toward averages and compromises, but that is the worst possible compass for monetary policy," he said.

"Without the monopoly of money creation, the European central bank system would be a 'tiger without teeth,'" he added.

He said that only an independent central bank would be nimble enough to react to monetary or market crises and far-seeing enough to pursue long-term policies that are painful in the short term.

Regarding the goals of the Basel committee, he singled out "the closer coordination and convergence" of annual monetary targets of the EC's member states, which in the past have been based on differing assumptions. He said he doubted that any common monetary target could be arrived at in the near future, but said that it should be possible to "converge the concepts" and at least find common yardsticks for monetary policy.

He said the committee would "not hesitate" to make its opinions known to "individual governments" or to EC bodies on monetary policies.

Mr. Pöhl also took the occasion to repeat his view that, in the longer term, a European central bank system could evolve and operate even before the EC achieves political union.

"An independent European central bank system would, in my opinion, be conceivable before the completion of political union if the governments want this and if they are prepared to surrender the corresponding sovereignty as they have done in other, albeit less important, fields," he said.

He also used the occasion to note the key role of the Deutsche mark not only in the EC but in Eastern Europe and notably in East Germany. He said the Deutsche mark should be the "anchor" for East Germany as it moves toward convertibility of its currency.

Mr. Pöhl also noted that the Deutsche mark is the world's second-most important reserve currency, after the dollar, but said that he would like other currencies to share this burden and singled out the French franc.

"The French franc in particular has in my opinion the potential of playing a far greater role in Europe and worldwide," he said, citing the "determined" policy by French officials to contain inflation.

He said the British pound "could perhaps win back something of its old glory if the United Kingdom succeeded in solving its inflation and balance of payments problems."

Mr. Pöhl said the potential of the European currency unit was "fairly limited" in its present form as a basket currency. The ECU, he said, has had a "successful career on the financial markets."

Plan on Bank To Aid East Europe Gains

By Steven Greenhouse
New York Times Service

PARIS — The 27 Western and seven Eastern European planning to establish a development bank to help Eastern Europe's troubled economies ended their first meeting Tuesday amidst hopes that the bank would be in operation by the end of this year.

Officials at the two-day meeting said most participants agreed that the bank, expected to called the European Bank for Reconstruction and Development in Eastern Europe, should have about $12 billion in capital and should channel most of its funds to the region's private sector to assist in the move from Communism to a market economy.

Jacques Attali, the French official who chaired the meeting, said that many issues still had to be settled but that "there are no major difficulties."

Mr. Attali, a senior aide to President François Mitterrand, said that among the issues to be worked out were the capitalization of the bank, what shares each of the 34 member countries would hold, and where the bank would be based.

Officials at the meeting said the bank would channel money to Poland, Czechoslovakia, Hungary, East Germany, Romania and Bulgaria. There was considerable debate, however, whether the Soviet Union should be able to receive money from the bank.

One of the most divisive issues was whether loans should go only to the private sector or whether they should also be allowed to go to state-owned companies or to government infrastructure projects.

The United States and Great Britain were said to have argued strongly in favor of limiting loans to the private sector, while several Eastern European officials objected to this. Some participants said they feared that if loans were made available to governments to improve roads and other infrastructure, almost all of the bank's money could end up being used that way.

Some participants said the United States had expressed reservations in informal meetings about whether the Soviet Union should be a member in the bank and whether it should be able to receive loans.

Mr. Attali said three working groups had been set up to resolve many of the debated issues. These groups are to meet Jan. 30 in Paris, with a large drafting meeting set for March 10 and 11 in Paris. Mr. Attali said he hoped the founding articles could be signed later in March.

He said the working groups would discuss the criteria for borrowing, such as whether undertaking economic reforms would be a condition, and seek to resolve whether money would be lent at market rates or below market rates.

CURRENCY RATES

Cross Rates

Jan. 16

	$	£	D.M.	F.F.	I.L.	Gldr.	B.F.	S.F.	Yen
Amsterdam	1.9246	3.1805	1.1277	0.3315	0.1514 *	—	5.382 *	1.2616	1.3236 *
Brussels(a)	35.7875	59.88	20.952	N.A.	2.8102 *	18.5835	—	23.425	0.2461
Frankfurt	1.7895	2.823	—	0.294	0.1342 *	0.8868	4.773 *	1.1192	1.174 *
London (b)	1.655	—	2.8078	9.5348	2,090.00	3.1453	58.775	2.5183	240.80
Milan	1,273.65	2,101.75	745.15	219.05	—	660.75	35.565	832.52	8.732
New York(c)	—	1.6585 b	1.694	5.76	1,262.50	1.9185	35.495	1.589	145.395
Paris	5.8105	9.5995	3.4017	—	0.4567 *	3.0167	0.1624	3.8031	3.9945 *
Tokyo	145.95	242.25	85.93	25.29	0.1156	76.24	4.0977	96.46	—
Zurich	1.522	2.518	0.8945	0.2628	0.1201 *	0.7931	4.2605 *	—	1.0454 *
1 ECU	1.1936	0.7221	2.0373	6.9297	1,517.77	2.2976	42.6844	1.8345	173.734
1 SDR	1.3127	0.7946	2.2441	7.6275	1,672.01	2.5289	N.Q.	2.0045	191.327

Closings in London and Zurich, fixings in other centers. New York closing rates.
*a: Commercial franc; b: To buy one pound; c: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	1100.0	Fin. markka	3.96	Mex. peso	2682.00	S. Afr. rand	2.535
Austral. $	1.2666	Greek drac.	156.60	N. Zealand $	1.6407	Soviet ruble*	0.6038
Austr. schill.	12.03	Hong Kong $	7.8075	Nig. naira*	5.2995	Span. peseta	109.90
Brazil cruz.	13.735	Indian rupee	16.978	Norw. krone	6.565	Swed. krona	6.184
Canadian $	1.1653	Indo. rupiah	1790.00	Phil. peso	22.09	Taiwan $	25.87
Chinese yuan*	4.72	Irish £	0.6458	Port. escudo	147.90	Thai baht	25.60
Danish krone	6.6145	Israeli shek.	1.90	Saudi riyal	3.748	Turkish lira	2289.00
Egypt. pound	2.5832	Kuwaiti dinar	0.2896	Sing. $	1.89	UAE dirham	3.67
		Malay. ring.	2.699	S. Kor. won	687.60	Venez. boliv.	44.05

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6429	1.6347	1.6257	Canadian dollar	1.1694	1.1727	1.1757
Japanese yen	145.29	145.16	145.85	Swiss franc	1.5236	1.5219	1.5206
Deutsche mark	1.6784	1.6787	1.6786				

Sources: Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

INTEREST RATES

Eurocurrency Deposits

Jan. 16

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	8⅛-8¼	7 13/16-7 15/16	9⅝-9¾	15-15⅛	10⅞-11	6⅝-6¾	10⅞-11	8 5/16
2 months	8⅛-8¼	8-8⅛	9 11/16-9 13/16	15-15⅛	11-11⅛	6¾-6⅞	11 1/16-11 3/16	8 5/16
3 months	8⅛-8¼	8 1/16-8 3/16	9½-9⅝	15⅛-15¼	11⅛-11¼	7-7⅛	11¼-11⅜	9
6 months	8 1/16-8 3/16	8½-8⅝	9 7/16-9 9/16	15 3/16-15 5/16	11⅛-11¼	7 3/16-7 5/16	11 5/16-11 7/16	9 1/16
1 year	8 1/16-8 3/16	8 1/16-8 3/16	9 7/16-9 9/16	15-15⅛	11⅛-11¼	7 3/16-7 5/16	11 5/16-11 7/16	9 3/16

Sources: All Reuters except ECU: Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

Jan. 16

United States	Close	Prev.
Discount rate	7.00	7.00
Prime rate	10.00	10.00
Federal funds	8¼	8.08
Com paper 30-179 days	7½	7½
3-month Treasury bills	7.63	7.48
6-month Treasury bills	7.58	7.40
1-year Treasury bills	7.38	7.21
30-year Treasury bond	99 18/32	99 13/32
2-month CD's	7.70	7.70
3-month CD's	7.70	7.70
Japan		
Discount rate	4¼	4¼
Call money	6 15/32	6 15/32
1-month interbank	6 25/32	6¾
3-month interbank	6⅞	6 27/32
West Germany		
Discount rate	6.00	6.00
Lombard rate	8.00	8.00
Call money	7¾	7.70
1-month interbank	8.15	8.15
3-month interbank	8¼	8¼
6-month interbank	8.45	8.45
Britain		
Bank base rate	15.00	15.00
Call money	15 1/16	15.00
3-month interbank	15¼	15 5/16
6-month interbank	15 5/16	15 5/16
France		
Intervention rate	10.00	10.00
Call money	10¼	10⅜
1-month interbank	10 13/16	10 15/16
3-month interbank	11⅛	11¼
6-month interbank	11⅜	11¼

Sources: Reuters, Salomon Brothers, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

Asian Dollar Deposits

Jan. 16

1 month	8⅛ - 8¼
2 months	8⅛ - 8¼
3 months	8⅛ - 8¼
6 months	8⅛ - 8¼
1 year	8¼ - 8⅜

Source: Reuters.

U.S. Money Market Funds

Jan. 16

Merrill Lynch Ready Assets
30-day average yield: 7.86
Telerate Interest Rate Index: 8.029
Source: Merrill Lynch, Telerate.

GOLD

Jan. 16

	A.M.	P.M.	Ch'ge
Hong Kong	415.05	415.45	+ 1.50
Luxembourg	415.00	—	— 0.10
Paris (12.5 kilo)	415.39	414.85	— 1.05
Zurich	414.75	413.25	— 2.90
London	415.25	412.75	— 2.85
New York	—	410.75	— 2.75

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.
Source: Reuters.

Hanna-Barbera's Goal: All the Pizzazz of Disney

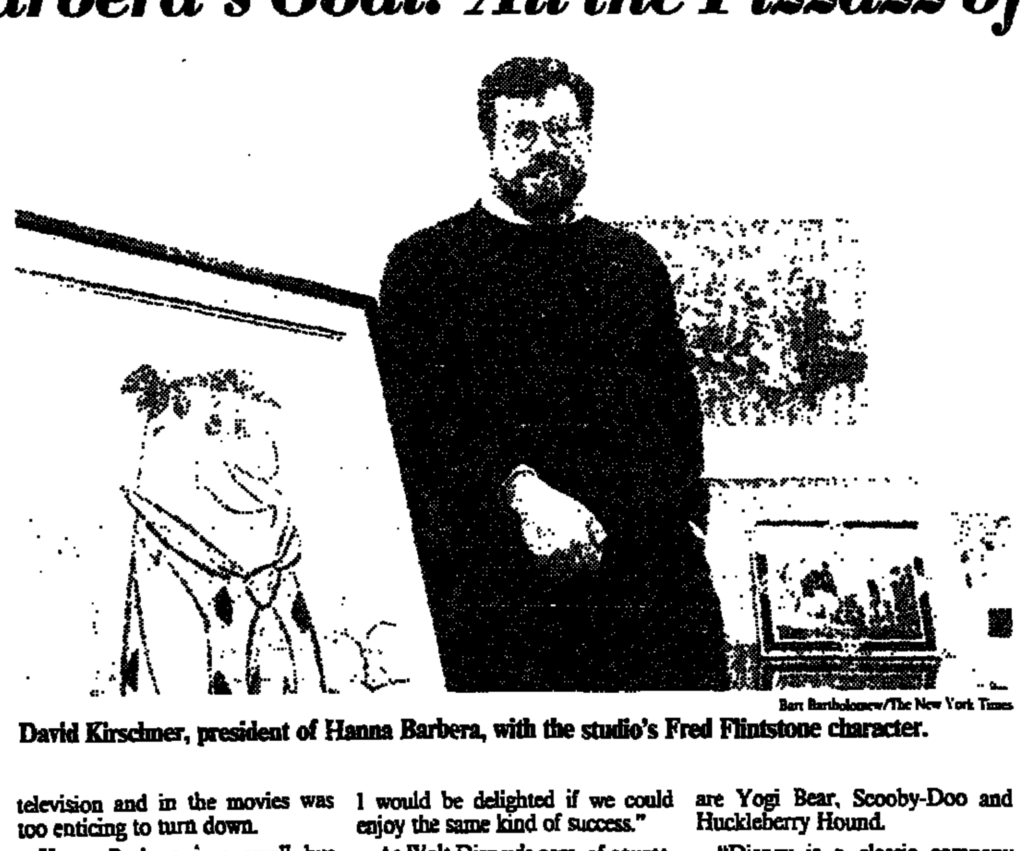
By Michael Lev
New York Times Service

LOS ANGELES — David Kirschner is the Hollywood producer and illustrator who made his reputation by creating "An American Tail," the animated movie hit that chronicled the adventures of an immigrant mouse from Eastern Europe. In his latest undertaking, Mr. Kirschner will again have to call upon his considerable imaginative skills.

This time he is planning to build an entertainment conglomerate out of Hanna-Barbera Productions, the Saturday morning cartoon factory that produced hits like the "Flintstones" and then turned quiet in the late 1970s.

Mr. Kirschner says he intends to turn Hanna-Barbera into another Walt Disney Co., the entertainment powerhouse that has made so much money from animation, feature films, theme parks and retailing.

In October, Mr. Kirschner set aside his career as a successful producer to become president and chief executive of Hanna-Barbera. The studio is a subsidiary of the Great American Broadcasting Co., a publicly traded Cincinnati company controlled by Carl H. Lindner, the financier.



Bart Bartholomew/The New York Times
David Kirschner, president of Hanna Barbera, with the studio's Fred Flintstone character.

Mr. Kirschner's decision to abandon a producer's career for a high-pressure job at a studio may seem puzzling. The two films he created and produced, "An American Tail" and the horror fantasy "Child's Play," brought in more than $165 million at the box office and in home video rentals.

According to Mr. Kirschner, who is 34, the opportunity to expand a respected company and find homes for his story ideas on television and in the movies was too enticing to turn down.

Hanna-Barbera is a small but consistently profitable studio by its own account. The studio releases no income figures, though Great American annual reports indicate that between 1983 and 1987, corporate revenue from network television animation production peaked in 1984 at $43.2 million.

Charles S. Mechem Jr., chairman of Great American, declined to discuss financial details or projections for Hanna-Barbera. "Disney is a wonderful road map," he said, "and I would be delighted if we could enjoy the same kind of success."

At Walt Disney's core, of course, is its stable of memorable characters, ranging from Mickey Mouse and Donald Duck to Miss Piggy. The last was acquired when the company bought Henson Associates last year.

Hanna-Barbera believes it can field a team in that league. For every Goofy and Pluto at Disney, Hanna-Barbera has a Fred Flintstone and a George Jetson. Among dozens of other animated characters developed by Hanna-Barbera are Yogi Bear, Scooby-Doo and Huckleberry Hound.

"Disney is a classic company that has supplied classic features," Mr. Kirschner said. "We have been a television company that's entertained a generation of baby boomers with characters. It's easy to point to Disney and what they've done as a model."

While Hanna-Barbera's growth strategy makes sense, analysts caution that it is one thing to imitate Disney, another to match it.

"What has made Disney the great company it is today is that they have been able to combine terrific cash flow from the theme parks with an outstanding theatrical management team that came over from Paramount," said Dennis I. Forst, an industry analyst with the Security Pacific Merchant Bank in Los Angeles.

"The success in programming has not really been related to Disney's animated characters," Mr. Forst said, "and the success in the theme park business in Florida is related to Disney's prowess operating theme parks."

According to Mr. Kirschner, even more pressing than expanding is for Hanna-Barbera to reinvigorate its existing operations.

In the 1960s and 1970s, the company founded by the animators William Hanna, now 77, and Joe Barbera, 78, dominated children's television. But as the two aged, the company's productivity began to slacken. The last major hit, "Smurfs," is almost a decade old and NBC is considering revamping it.

The concern also failed to follow Disney's lead as that company licensed Mickey Mouse and other characters for numerous projects and diversified into new businesses such as mainstream Hollywood movie-making and retailing.

In one business where Hanna-Barbera has competed with Disney, theme parks, it has trailed. Five small Hanna-Barbera parks require rejuvenation, Mr. Kirschner said.

Hanna-Barbera is to open in May an attraction, the "Funtastic World of Hanna-Barbera," costing $13 million to $14 million, at Universal Studios in Orlando, Florida, later this year. Visitors will sit in

See CARTOON, Page 11

NYSE

Tuesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

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(Continued on next page)

NYSE High-Lows

NEW HIGHS 7

AshlPet BradIFd DevtPL pfE GlmrHrtn
JacobsEng MiversLE NtlAlmstv

NEW LOWS 87

AMHPubl Alexanders AlliedPrd AMI Inc
AmocoPfB AmpalCo Arvin BallCp
Beckmanlnd BrushWel CasonCo CapitCapIII
CapitCap pfE CapitHold cdl Chrysler Circle K
CltzFid Cmdor CmdrInd pf Cmdre
CmdrCo Comcast CmdrInd rt Compaq
FortWalFin PrCastHtg GenMotr H EtterInd rt
Gentsint GenMotr M GerberSci Goodyear
HercrtBrJ HercrtBrJ pf HercrtSpc Hexcel
HmstdInd ICM Prop IMCO Ltd Jonesmny
KnoxCo Kmpr Kmpr MACOM
MNC Fncl s MercerCo MerchBcsNtw MercantStr
MercrtnCorp NtwMedEds wt Norlek NovaCare
NovaCo s OrangeCo PerkElmr ForTech
Petrolane n PortGenCp Pyfem n QuakStCp
Reece Co RemtCtNY Rowan Tmps RsMed
SPX Corp ServMerch s SharerLehH SouthEnTs
StdMotr Storrer StwrtStevRs Symmetrx
Tesoro Ind TimeWrn pfC UB Fncl UsCorrode
UNM Inds UsairGr Unitrode VonKlmpLtd n
Vornado Inc Webcrafts n WhitmanCo WorthPrc
WshGasRs n WhitroomCp Wrdmere

AMEX High-Lows

NEW HIGHS 2

Dsmk Nk wt MC Shfg n RobarMark

NEW LOWS 26

AmTr-ezy sc AmTr-ezy sc BlairCo BradleyRE
CasesNJ CentelCp Comstock DetrPfd
Ducat ElPasoCp FirstBkSd FrenchFood s
GeviscoCp GibbsLW GlenAld HealthExt
HeraldNY KhoenigPrec MedChem HmstdInc
Oilstn s PhrGen TRC Cos s TexasAirCp
TrianonLine WangLabs

Grand M
Rémy Ho
LONDON —
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food and beverag
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and 19 percent
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Grand Met gav
the deal but said
would represent
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funds. Analysts
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the cost was at th
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In November,
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they planned to
companies in a fe

Grand Met Gets Rémy Holding

Reuters

LONDON — Grand Metropolitan PLC, the British food and beverages company, said Tuesday that it had agreed to purchase the 49 percent of Rémy Martin & Co. and 19 percent of Cointreau SA that are held by Max Cointreau.

Grand Met gave no price for the deal but said the net cost would represent less than 5 percent of its shareholders' funds. Analysts said those funds were currently given as £2.8 billion ($4.7 billion) so the cost was at the most £140 million.

In November, Rémy Martin and Cointreau announced that they planned to merge their companies in a few months.

Mitsubishi Joins Aristech Bid

Reuters

PITTSBURGH — The chairman of Aristech Chemical Corp., backed by Mitsubishi Corp. of Japan, on Tuesday proposed an $845 million buyout of the company, the object of an earlier bid from the Utah industrialist Jon Huntsman.

The chairman, Thomas Marshall, said the management-led bid was $26 a share in cash for all outstanding shares of Aristech.

Aristech's stock surged Tuesday to close at $24.25, up $5.125, in heavy trading on the New York Stock Exchange.

Mr. Marshall said Mitsubishi, one of the big Japanese trading houses and the keystone of the industrial group of that name, had arranged financing.

The buyout, if successful, would add to the recent series of U.S. takeovers involving Japanese companies that includes the purchases of Columbia Pictures and CBS Records by Sony Corp. and the acquisition of Firestone Tire & Rubber Co. by Bridgestone Corp.

The Aristech buyout proposal expires Jan. 23. It is subject to completion of definitive agreements, board approval and governmental consents. The board appointed a special committee to evaluate the proposal.

Mr. Huntsman, who has built his Huntsman Chemical Corp. from scratch over the past decade, in October offered $25 a share for Aristech, which was spun off from USX Corp. in the mid-1980s.

Aristech also reported Tuesday that its net profit had fallen 56.7 percent in the fourth quarter of 1989, to $15.1 million, bringing profit for the year to $82.1 million, a decline of 56.4 percent.

Analysts noted that Aristech released no details of financing for the deal, aside from saying that Mitsubishi had arranged commitments, and said that Aristech's business, speciality chemicals, is now in a downturn.

Britain Will Examine Dixons Takeover Bid

Reuters

LONDON — Britain's Department of Trade and Industry said Tuesday that it had referred Kingfisher PLC's £461 million ($763 million) hostile bid for Dixons Group PLC to the Monopolies and Mergers Commission.

The trade department said it considered that the purchase of Dixons, an electrical retailer, might affect competition in that market. The monopolies commission has been asked to report by April 27.

Foreign Banks Drop Investments in Co-op

Reuters

FRANKFURT — Four foreign banks walked away from their investments in Co-op AG on Tuesday, refusing to subscribe to new shares in the troubled West German retailer and giving control of it to two West German banks.

Deutsche Genossenschaftbank DG Bank and BfG-Bank für Gemeinwirtschaft had underwritten a rights issue to raise capital for Co-op. In exchange for DG and BfG taking on the risk of the issue, the four-bank group last year agreed to transfer its 72 percent stake in Co-op to the two West German banks.

The four foreign banks are Swiss Bank Corp., Amsterdam-Rotterdam Bank, Security Pacific National Bank, and Svenska Handelsbanken.

Explaining why they did not contribute more money, Swiss Bank complained that it and the three other foreign banks had not received a prospectus for the new shares and said there was a lack of reliable information about Co-op's current situation. Swiss Bank said that Co-op's losses could thus be higher than previously forecast.

Co-op's troubles came to light in 1988, but there are allegations that managers hid crippling debts and reported profits for several years. At least seven former executives were arrested late last year in a government investigation, including Bernd Otto, the former management board chairman.

Swiss Bank Corp. said its losses from involvement with Co-op were 323 million DM ($190 million). Amro said its losses were about 190 million guilders ($100 million).

DG Bank said it had not been contacted by the four banks and had learned of their decision through a press statement issued by Swiss Bank. The West German bank said it found Swiss Bank's explanation "new, incomprehensible" and "disturbing."

The foreign banks had received full information about a prospectus for the new Co-op shares, DG Bank said.

As a result of the foreign banks' move, DG said it and BfG acquired a majority of Co-op.

The four foreign banks last year agreed to forgive 1.8 billion Deutsche marks ($1.07 billion) of Co-op debt in return for the 72 percent stake. That saved the retailer from receivership, and the two West German banks subsequently agreed to underwrite the rights issue, which was designed to provide 350 million DM of new capital.

The Co-op supervisory board wrote down the nominal value of the old shares from 450 million DM to just 14,000 DM.

The rights issue provided three new shares for each 17 formerly held.

Vickers Riled By IEP Stake

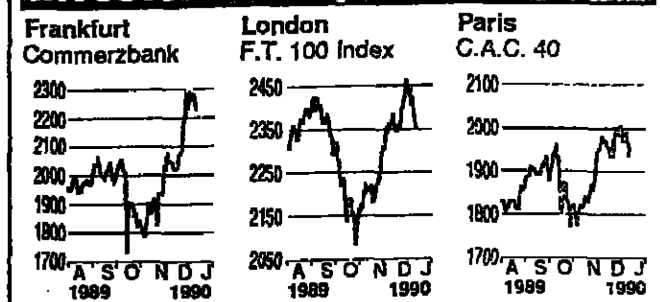
Reuters

LONDON — Vickers PLC, which makes Rolls-Royce cars, said Tuesday it was concerned that Industrial Equity (Pacific) Ltd. of Hong Kong had increased its stake in Vickers last week to 17.25 percent.

The larger stake is "against the best interests of Vickers shareholders," Sir David Plastow, Vickers chairman, said in a letter to shareholders. He said Sir Ron Brierley of New Zealand, chairman of IEP, had not made his clear intentions.

IEP has suggested it would like to see Rolls-Royce separated from the company. But Sir David warned that Rolls-Royce would be "exposed as a one-product business."

Investor's Europe



Exchange	Index	Tuesday Close	Prev. Close	% Change
Amsterdam	CBS General	113.40	115.60	-1.90
Brussels	Stock Index	6529.30	6529.30	0.00
Frankfurt	Commerzbank	2227.50	2269.00	-1.83
Frankfurt	DAX	1788.68	1841.61	-2.87
Helsinki	UNITAS	627.30	631.10	-0.60
London	Financial Times 30	1869.80	1896.90	-1.43
London	FT-SE 100	2349.10	2366.20	-0.72
Madrid	General Index	287.29	290.96	-1.26
Milan	MIB	1013	1023	-0.98
Paris	CAC 40	1935.21	1962.89	-1.41
Stockholm	Affaersvaerlden	1234.30	1244.50	-0.82
Zurich	SBS	653.60	663.30	-1.46

Sources: Datastream, AFP — International Herald Tribune

Triangle Shareholders Ask Approval for Deal

By Lawrence Malkin
International Herald Tribune

NEW YORK — Former stockholders of Triangle Industries Inc., who accuse company executives of cheating them of profits when Triangle was taken over by Pechiney SA of France in 1988, asked a judge Tuesday to approve a settlement of their lawsuits for $79 million, according to lawyers for the investors.

Vice Chancellor Maurice A. Hartnett III of the Delaware Chancery Court is expected to hold a hearing early in March. The only major point at issue, lawyers for the stockholders said, is the amount of time allowed to trace former stockholders so the settlement money can be divided among them. The judge could extend their proposed deadline of May 31.

In contrast to charges of illegal insider trading in France and the United States, the agreement represents a fairly expeditious settlement of civil claims in the case.

Investors in Triangle's parent company, CJI Industries, made profits of more than $45 per share in one day that were allegedly based on information they gained from high government officials. The case is still before French magistrates. The U.S. Securities and Exchange Commission, which tipped off French authorities, has not filed a court action.

The proposed settlement is based on an offer by Pechiney and by Nelson Peltz and Peter May, the former chairman and president of Triangle, who were accused by stockholders of defrauding them and violating U.S. securities laws. On July 8, 1988, Mr. Peltz and Mr. May converted Triangle's common stock to preferred stock at a value of about $35 a share.

On Nov. 21, 1988, Pechiney bought them out at $56 a share. Pechiney paid $1.26 billion for Triangle. The two officers received about $830 million for Triangle stock they had originally acquired for about $50 million with the help of junk-bond financing.

A group of stockholders then filed suit for a share of the additional profit gained between the stock conversion and the buyout, which worked out to a approximately $21 per share. They claimed that Triangle's officers knew the Pechiney offer was in the works.

CARTOON: Hanna-Barbera Aims at Disney Model

(Continued from first finance page) motion-controlled cars and take a fantasy tour of the locales of Hanna-Barbera's cartoons.

The first Hanna-Barbera store will open there as well, giving three generations of Flintstones and Jetson fans the opportunity to buy dolls and gear for their children and grandchildren.

Great American, an owner of television and radio stations once known as Taft Broadcasting, began trying to turn around Hanna-Barbera when Mr. Lindner gained control in 1987. Among the projects far along in development are movies based on the Flintstones and Jetsons.

Under Mr. Kirschner's guidance, Hanna-Barbera announced plans to create a new film entity, Bedrock Productions, to produce major motion pictures and television projects for adults and children. It would follow the example of Disney's Touchstone Pictures.

Hanna-Barbera will also begin opening its own retail stores this year and expand its licensing operations, which already include a children's Flintstone's cereal and vitamin pill.

Despite the creation of Bedrock Productions and the development of projects with such real-life actors as John Ritter, the backbone of Hanna-Barbera remains its library of more than 3,500 half-hour cartoon shows that generate consistent revenue through syndication.

Hanna-Barbera has sold 14 years' worth of syndication rights to the Flintstones for about $40 million to Saatchi & Saatchi DFS Inc., an American advertising subsidiary of Saatchi & Saatchi PLC. But the company is free to package and license the rights to all the other cartoons in its library through syndication any way it wants.

Under Mr. Lindner and Mr. Kirschner, the company has taken a more aggressive tack. The Jetsons will appear on British television for the first time this year.

It is clear that Mr. Kirschner is the creative force behind the new projects. At his desk on the Hanna-Barbera studio lot, he has a portfolio stuffed with sketches.

Many of them have been considered or bought by television networks and movie production companies. Every one is based on a Kirschner idea and every one is accompanied by his own detailed drawings.

"David is a creative genius," said one admirer, Phyllis Tucker Vinson, vice president of children's and family programming at NBC.

NYSE

Tuesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Chg
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January 16th 1990

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Private Panel Seeks to Reshape Hungary

By Louis Uchitelle
New York Times Service

INDIANAPOLIS — A panel of prominent Hungarians and Westerners is drawing up an economic action plan for the next Hungarian government, another in a series of attempts by Western foundations to influence the reshaping of Eastern Europe.

The plan, containing detailed economic proposals for the government that will come to power after the March 25 parliamentary election, is to be published in early April.

The project, the result of the first meeting of a commission set up by the Hudson Institute, a staunch advocate of free markets, also highlights a change in the role of private foundations. Rarely in the past have they been so openly active in trying to shape other countries, staying, rather, in the background, financing research and other support work.

Taking note of the change, Kevin F. F. Quigley, an executive of the Pew Charitable Trusts, said the foundations had been given "an historic opportunity to be catalysts in the evolution of Eastern Europe toward the values that we favor."

Pew, which dispenses $140 million a year in grants, mostly for health and education projects in the United States, is just getting involved in Eastern Europe. Mr. Quigley came to Indianapolis to consider the Hudson commission as a candidate for Pew funds.

The Ford Foundation, the Rockefeller Brothers Fund and the George Soros Foundation, among others, are already dispensing money to such beneficiaries as Polish farmers and people helping to organize political parties.

The 19-member panel's mixture of prominent Westerners and Hungarians is intended to make its plan hard to resist for Hungary's next government. That, at least, is the strategy of the organizers, mainly the Hungarian politicians, the Hudson Institute and Paul Marar, an intermediary who brought them together. Mr. Marar, an economist who fled Hungary as a young man in 1956, is now an Indiana University specialist on his homeland.

Foundations see 'an historic opportunity to be catalysts' in Eastern Europe.

Kevin F. F. Quigley, an executive of Pew Charitable Trusts.

"This is a bipartisan effort for a government that will take office without having given the details of economic transformation much thought," Mr. Marar said. "Right now there is no credibility within Hungary. The old government is discredited and the new political parties have no track record yet."

The state of Indiana is sharing with Hudson and another research organization, the East-West Forum, the cost of the project, which they put at $150,000 so far.

More than two dozen Hungarians attended the five days of sessions that ended Sunday at Hudson's headquarters. They included politicians, economists, educators, political scientists and even former Communist Party members.

Such well-known Westerners as Pierre S. du Pont 4th, the former governor or Delaware, and Sir Alan A. Walters, a former economic adviser to Prime Minister Margaret Thatcher of Britain, urged a rapid transition, perhaps in less than five years. But the Hungarians mostly argued that too hasty a changeover could bring high unemployment, inflation and hardship.

"We think more in terms of Western Europe's social welfare state model," said Elemer Hankiss, a political sociologist at the Hungarian Academy of Sciences. He was among more than 100 people trying to develop recommendations for the commission.

Hudson enlisted numerous Western Europeans, on the theory that their endorsement is needed to get the Hungarian public to accept the commission's plan.

So while the first gathering was held in Indianapolis, the next will be in Brussels late this month, with Europeans playing the major role. Foreign aid and investment are considered essential for Hungary's transition to free markets, and Western Europe is expected to be a greater source for this aid than the United States.

"It is useful for us to have this broad spectrum," said Geza Jeszenszky, an historian at Karl Marx University in Budapest and a leader of the Democratic Forum Party. "Foreign capital is not possible without foreigners telling us what they require to come here."

If the Democratic Forum, whose constituency is mostly those now operating small businesses, does as well in the March election as many polls say it will, then Mr. Jeszenszky might emerge as the new government's foreign minister.

But a majority of the Hungarians in Indianapolis were members of or sympathize with the Free Democratic Party, whose constituency is mostly the wealthiest Hungarians. A leader of this party, Marton Tardos, an economist at the Hungarian Academy of Sciences, is a co-chairman of the Hudson commission, along with Sylvia Ostry, former head of the Economic Council of Canada.

"The future government of Hungary can't cope with the hardships of transition to free markets," he said. "We have to design a program to do this, and that is best done with the support of experts from the major free-market countries."

SACHS: *Poland Can Survive Its Crisis, but It Needs Help From the West*

(Continued from first finance page)

ate the fundamental institutions that exist in all of Western Europe — private ownership, capital markets, private labor markets, mobility, layoffs for loss-making firms.

Q. Is there an economic theory about what will work in moving from a state to a market system?

A. There is a fundamental strategy that is common to both regions. That involves privatization and opening to the outside world. There is also a desperate need for financial rehabilitation, because these countries are bankrupt.

Q: How do you do it?

A. What is best known is how to deal with the financial situation. Poland's hyperinflation has some fundamental similarities to other countries': fiscal bankruptcy, huge budget deficits, enormous debt from loss-making state enterprises and cheap credits, heavily subsidized consumer goods, heavy interest payments on foreign debt. But there's a much, much harder set of problems, the transformation of the system. Privatization means creating the legal, institutional and financial basis to allow private firms to form and grow. It means running a liberal economic policy and taking away restrictions, although that's harder than it looks because there are thousands of laws and regulations that were put together over 40 years by a Communist regime that had no intention of ceding power. Poland is definitely forging a new path. But how to privatize an overwhelmingly state-owned sector is simply not known.

Q. Is this a cold-turkey cure?

A. Yes. Many things can be done rapidly: Debureaucratize the private sector, open up to free trade and convertibility of the currency. The strategy that makes sense is extensive [commercial] decontrol, an attempt to regain financial control quickly through the budget and sharp austerity measures, and then, structural change as rapidly as possible by splitting up large state enterprises, ending their monopolies and taking them private. The idea is that international trade can provide some quick competition, that right from the beginning the private sector can develop, and that the state enterprises can be disciplined by putting them on a short financial leash. But it is an enormously unsettling time right now in Poland because any hyperinflation means you've reached an unusual level of chaos in human affairs.

Q. Is this politically tolerable?

A. The problem with the argument for going slow is that it never addresses the question. Poland's starting point is hyperinflation. It's not less painful to continue hyperinflation; it's far more painful. I've seen slow-motion operations, or gradualism, in Latin America and they don't work. It's not as if the Poles made a choice from a stable position to take a great gamble. They started from an explosive position and they've got to stop the explosion.

Q. The austerity program was reached in agreement with the International Monetary Fund. IMF programs have not worked in Latin America. Why should they here?

A. The IMF has failed miserably around the world when it has tried to squeeze populations to pay unpayable foreign debt. It has been successful when it has recognized that the squeeze has to be sufficiently limited to end a hyperinflation, but not so harsh as to extract that extra pound for flesh for foreign creditors. Poland has said it can't pay the debt, so this is a margin of safety for its society.

Q. What can the West do?

A. What's missing is emergency cash support from the World Bank to provide for the social safety net. The West must also enunciate some things to help define this very difficult political track. For instance, the European Community should say, without hedging, that Poland is doing a wonderful thing, that it's on its way to becoming a full partner and that the Community will move with Poland toward free trade and a commitment to full integration.

And it is absolutely fundamental that the government-to-government debt be substantially canceled. The next generation in Poland must know that it is not expected to pay for the sins of 40 years of Communist rule. At a crucial moment in its history Germany did not get debt relief, and that contributed to Hitler's rise. After World War II, Germany did get relief, and that led to an economic miracle. Poland now needs help, and if the help is visionary, it will be fundamental in showing all of Eastern Europe and the Soviet Union that there is a path out of this mess.

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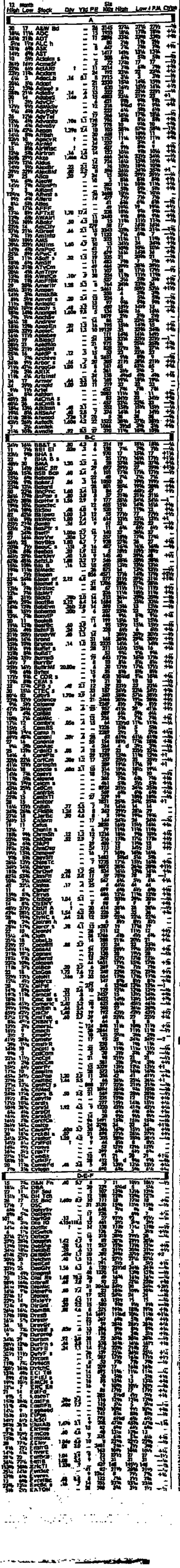
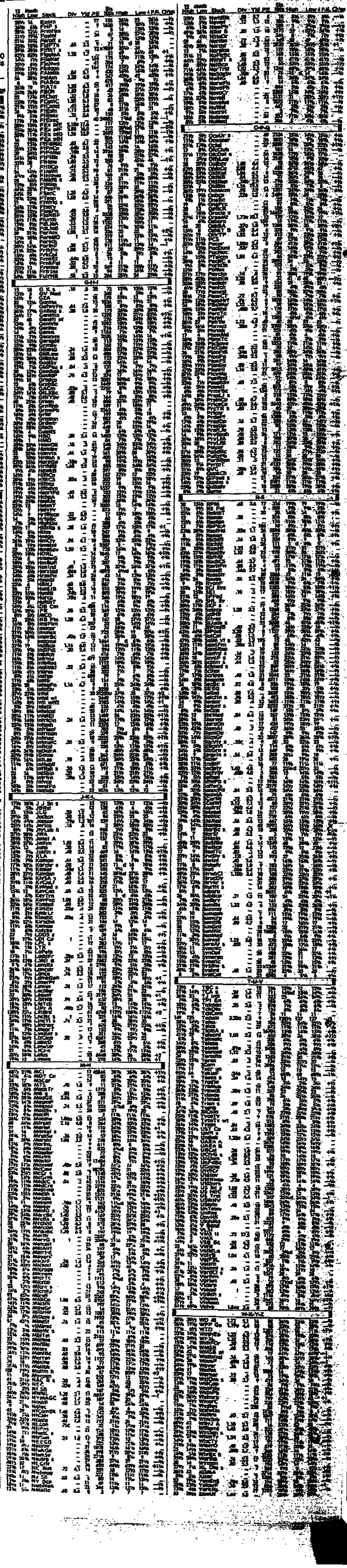
NASDAQ

Tuesday's Prices

NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.





ADS: *Admen Forecast the 1990s*

(Continued from first finance page)

tion of major chunks of business with major agency groups," he said. "We have two; Lever has four core agencies."

□

Advertisers will rediscover the importance of strategic ideas.

"I see the 1990s as returning to a product-benefit emphasis in advertising," said David E.R. Dangoor, vice president of marketing at Philip Morris USA.

The reason: "In the '90s there will be some tightening of economic circumstances, and consumers will buy only what they need. That will make them more skeptical of advertising that doesn't address their needs."

□

Slogans and brand imagery will make a comeback.

"From the time we grew up, we look back and remember brand values and symbols and slogans and images," said Barrie J. Webster, president of Berenter, Greenhouse & Webster. "They'll become increasingly important, because you'll need something that can travel through many forms of media and remain consistent."

□

Japanese ad agencies will make their power felt.

"The Dentsus are going to come alive," said Seiden of Ketchum, echoing a fear held by many ad executives. "And American agencies will go to the Japanese to sell for top dollar, which will make the Japanese less reluctant to come here."

French Ad Agency RSCG Extending Its Reach

By Randall Rothenberg
New York Times Service

NEW YORK — The willingness of the British advertising agency KLP Group PLC to sell itself to France's RSCG SA — KLP announced the friendly takeover bid on Monday — illustrates the increasing financial difficulties facing publicly held marketing-services agencies in Britain, where as recently as three years ago agencies were considered glamour stocks.

For RSCG, whose Paris agency — Roux, Seguela, Cayzac, Goudard — creates ads for Citroën and Club Med, the acquisition of KLP is part of an effort to diversify outside of pure advertising.

RSCG has offered to pay £32.1 million ($53.1 million) for KLP. RSCG's bid continues its transformation from a small, creative Paris agency to an international marketing-services conglomerate. KLP is one of the world's largest sales-promotion companies.

"The general lack of confidence in the agency sector during the past year has been a major block to helping us with corporate growth," said Gerry Postlethwaite, the chief executive of KLP.

Mr. Postlethwaite continued, "With the current state of the stock market in the United Kingdom, someone was going to come along and take a look at us, and the more we could control the who, the better."

Mark Sheppherd, an agency analyst at UBS/Phillips & Drew, the London brokerage, said British investors' disenchantment with agency stocks was reflected in RSCG's offer for KLP. While it represents a 50 percent premium over KLP's closing price on Friday of 160 pence a share, it is still only about 11 times the sales-promotion company's annual earnings.

"Go back three or four years when this sector was in fashion, and takeover multiples would be in the 20s," Mr. Shepperd said. He attributed investors' current attitudes to the financial reverses suffered by Saatchi & Saatchi and other British agencies.

On RSCG's efforts to diversify, Jean-Michel Goudard, international president of the privately held French company, said, "This year, we are going to have $1.4 billion in billings, maybe 70 percent of it through media advertising.

"Our whole strategy has been to get a better balance between media-advertising revenues and below-the-line revenues." Below-the-line refers to such nonadvertising functions as direct marketing and sales promotions.

About half of KLP's 1989 billings came from Britain, Mr. Postlethwaite said, with 40 percent coming from the United States. KLP also has promotions and direct-marketing operations in the Netherlands, Paris, Hong Kong and Bangkok, Thailand.

KLP's American properties include Field Research Inc., the market research company that conducts the California Poll, a leading public opinion poll.

Georgia Gulf Unveils Plan To Rebuff Simmons's Bid

Reuters

ATLANTA — Georgia Gulf Corp. has unveiled a recapitalization plan valued at more than $1 billion, including $38 a share in cash, in an effort to rebuff a bid from the Texas investor Harold C. Simmons.

The plan, unveiled hours after the market closed on Monday night, offered holders of the Atlanta chemical company's 24.6 million shares a package of cash and stock that Georgia Gulf management said was worth up to $55 a share.

Mr. Simmons, who holds about 10 percent of Georgia Gulf, has been pressuring the board to boost stock values. His last offer of $50 a share for Georgia Gulf was rejected by the management.

On Tuesday, Georgia Gulf's stock was up $1.375 to $43.875 in New York Stock Exchange trading.

Despite the weakness of the overall market, Georgia Gulf stock has risen in recent days as the market anticipated the plan, which analysts predicted would offer between $35 and $40 per share in cash.

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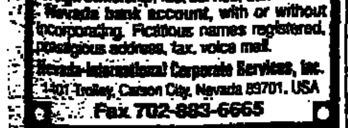

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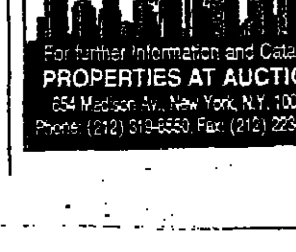

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Aug	318.00	318.40	320.00	314.00	318.20	318.60
Oct	310.20	310.60	312.40	306.20	312.00	312.20
Dec	300.00	308.00	305.00	305.00	303.40	303.60
Mar	291.40	291.80	293.00	291.40	292.80	293.00
May	286.20	291.00	N.T.	N.T.	289.00	292.00
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LONDON COCOA Sterling per metric ton						
Mar	628	629	635	627	641	642
May	639	640	649	639	658	659
Jul	654	655	663	654	669	670
Sep	669	670	679	669	682	683
Dec	689	690	699	690	704	705
Mar	708	709	715	708	719	720
May	719	722	728	723	731	732
Volume: 1,036 lots of 10 tons.						
LONDON COFFEE Sterling per metric ton						
Jan	565	567	573	565	588	589
Mar	585	586	593	585	607	610
May	603	604	609	600	622	624
Jul	622	623	628	618	643	645
Sep	641	642	647	635	662	665
Nov	660	662	666	655	684	686
Jan	680	682	685	675	700	706
Volume: 6,579 lots of 5 tons.						
GASOIL U.S. dollars per metric ton						
Feb	174.50	174.75	178.50	177.00	N.A.	N.A.
Mar	168.00	168.25	170.50	166.00	—	—
Apr	163.25	163.50	165.00	160.00	—	—
May	160.75	161.50	161.75	159.00	—	—
Jun	159.00	160.00	162.00	158.00	—	—
Jul	159.25	162.00	159.00	157.00	—	—
Aug	158.00	162.50	N.T.	N.T.	—	—
Sep	159.00	165.00	N.T.	N.T.	—	—
Oct	160.00	168.00	N.T.	N.T.	—	—
Volume: 14,109 lots of 100 tons.						

Sources: Reuters and London Petroleum Exchange.

PARIS SUGAR French francs per metric ton	High	Low	Close Bid	Close Ask	Ch'ge
Mar	2,528	2,450	2,455	2,467	—32
May	2,490	2,430	2,445	2,450	—24
Aug	2,470	2,430	2,450	2,460	—30
Oct	2,338	N.T.	2,300	2,320	—10
Dec	N.T.	N.T.	2,140	2,160	—35
Mar	N.T.	N.T.	2,132	2,140	—54

Est. vol.: 8,13 lots of 50 tons. Prev. actual vol.: 426. Open interest: 16,706 lots.

Sources: Paris Bourse du Commerce, London Petroleum Exchange, Reuters.

Spot Commodities

Commodity	Today	Prev.
Aluminum, lb	0.6975	0.7025
Coffee, lb	0.70	0.72
Copper electrolytic, lb	1.166	1.228
Iron FOB, ton	213.00	213.00
Lead, lb	0.40	0.38
Printcloth, yd	n.a.	n.a.
Silver, troy oz	5.25	5.24
Steel (billets), ton	473.00	473.00
Steel (scrap), ton	94.00	97.17
Tin, lb	4.0496	4.0369
Zinc, lb	0.68	0.68

London Metals

	Close Bid	Close Ask	Previous Bid	Previous Ask
ALUMINUM (High Grade) Sterling per metric ton				
Spot	1508.00	1510.00	1519.00	1521.00
Forward	1528.00	1529.00	1530.00	1540.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1427.00	1428.00	1433.00	1435.00
Forward	1439.00	1440.00	1447.00	1447.50
LEAD Sterling per metric ton				
Spot	415.00	417.00	419.00	421.00
Forward	413.00	414.00	415.00	416.00
NICKEL Dollars per metric ton				
Spot	7050.00	7100.00	7400.00	7450.00
Forward	6875.00	6885.00	7275.00	7290.00
TIN Dollars per metric ton				
Spot	6710.00	6730.00	6780.00	6800.00
Forward	6830.00	6840.00	6880.00	6890.00
ZINC (High Grade) Dollars per metric ton				
Spot	1265.00	1275.00	1265.00	1275.00
Forward	1235.00	1240.00	1245.00	1255.00

Currency Options

Jan. 16

PHILADELPHIA EXCHANGE

Option & Underlying	Strike Price	Calls—Last Jul	Aug	Sep	Puts—Last Jul	Aug	Sep
50,000 Australian Dollars-cents per unit.							
ADollr	74	s	r	r	s	0.04	r
78.97	75	s	r	r	s	r	0.40
78.97	76	s	r	r	s	r	0.69
78.97	77	s	r	r	s	0.44	1.05
78.97	78	s	1.13	r	s	r	r
78.97	79	s	0.62	r	s	r	r
78.97	80	s	0.33	r	s	r	r
78.97	81	s	0.12	0.32	s	r	r
78.97	83	s	0.04	r	s	r	
500,000 Australian Dollars-European Style.							
78.97	76	s	r	r	s	0.19	0.68
78.97	81	s	0.13	0.32	s	r	
31,250 British Pounds-cents per unit.							
BPound	157½	s	r	r	s	r	0.90
165.80	162½	s	r	r	s	1.35	2.65
165.80	165	s	2.25	2.60	s	r	3.70
165.80	170	s	0.64	1.01	s	r	
31,250 British Pounds-European Style.							
165.80	157½	s	r	r	s	0.25	r
165.80	165	s	r	r	s	2.60	r
165.80	172½	s	0.25	r	s	r	
50,000 Canadian Dollars-cents per unit.							
CDollr	82½	s	3.20	r	s	r	r
85.89	84	s	r	r	s	r	0.18
85.89	84½	s	r	r	s	0.09	0.28
85.89	85	s	r	r	s	0.19	0.41
85.89	85½	s	r	0.45	s	0.37	0.70
85.89	86	s	0.20	0.27	s	0.72	0.95
50,000 Canadian Dollars-European Style.							
CDollar	86	s	0.19	r	s	0.63	
62,500 West German Marks-cents per unit.							
DMark	55	s	r	3.82	s	0.06	0.15
58.97	56	s	2.85	r	s	0.09	0.27
58.97	57	r	r	2.23	r	0.20	0.50
58.97	57½	s	r	r	s	0.40	0.72
58.97	58	s	1.24	1.57	s	0.43	0.74
58.97	58½	s	r	r	s	0.78	r
58.97	59	s	0.72	1.16	s	0.80	1.34
58.97	59½	s	0.63	r	s	1.10	r
58.97	60	s	0.50	0.66	s	r	r
58.97	61	s	0.26	0.42	s	r	r
58.97	62	s	r	0.29	s	r	
62,500 West German Marks-European Style.							
58.97	57	r	r	r	r	0.23	0.47
58.97	60	s	0.44	r	s	r	r
58.97	61	s	r	0.40	s	r	
250,000 French Francs-European Style.							
FFranc	16¼	s	r	r	s	0.18	r
173.52	18¼	s	0.22	r	s	r	
6.25 mil Yen-100ths of a cent per unit.							
JYen	64	s	r	r	s	0.02	r
68.69	66	s	r	r	s	0.05	0.13
68.69	67	s	r	r	s	0.15	0.32
68.69	68	s	r	r	s	0.36	0.52
68.69	68½	s	0.82	r	s	0.52	r
68.69	69	s	0.61	r	s	r	r
68.69	70	s	0.24	0.50	s	r	r
68.69	71	s	0.09	0.24	s	r	r
68.69	72	s	r	0.14	s	r	
62,500 Swiss Francs-cents per unit.							
SFranc	59	s	r	r	s	0.03	r
66.13	61	s	r	r	s	0.07	r
66.13	62	s	r	3.52	s	r	r
66.13	63	s	r	r	s	r	0.51
66.13	63½	s	r	r	s	0.23	r
66.13	64	s	r	r	s	r	0.73
66.13	65	s	1.20	r	s	r	1.18
66.13	65½	s	r	r	s	1.04	r
66.13	66	s	0.71	1.85	s	1.00	r
66.13	66½	s	0.50	r	s	r	r
66.13	67	s	0.64	0.65	s	r	r
66.13	68	s	r	r	s	2.82	r
66.13	69	s	r	0.24	s	r	

Total call vol. 22,276 Call open int. 342,889
Total put vol. 21,355 Put open int. 283,344
r—Not traded. s—No option offered.
Last is premium (purchase price).

DM Futures Options

Strike Price	Calls-Settle Jan	Feb	Mar	Puts-Settle Jan	Feb	Mar
57	2.12	2.14	2.26	0.07	0.14	0.29
58	2.22	1.34	1.65	1.35	0.36	0.48
59	1.71	0.73	1.08	1.00	0.75	1.10
60	1.30	0.36	0.67	2.36	1.37	1.48
61	0.97	0.17	0.48	3.01	2.18	2.41
62	0.71	0.08	0.23	—	—	3.22

Est total volume: 28,406
Calls: Mon. volume: 2,397; open int.: 57,923
Puts: Mon. volume: 5,396; open int.: 77,481
Source: CME.

NYSE Diary

	Close	Prev.
Advanced	813	395
Declined	723	1091
Unchanged	452	466
Total Issues	1988	1952
New Highs	7	8
New Lows	87	67

AMEX Diary

	Close	Prev.
Advanced	239	165
Declined	328	407
Unchanged	255	226
Total Issues	822	798
New Highs	3	5
New Lows	26	19

NASDAQ Diary

	Close	Prev.
Advanced	944	715
Declined	1,088	1,246
Unchanged	n.a.	2,382
Total Issues	n.a.	4,343

N.Y.S.E. Odd-Lot Trading

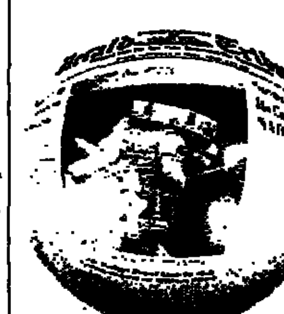
	Buy	Sales	*Sh'rt
Jan. 15	321,130	431,559	25,262
Jan. 12	351,569	1,000,393	4,736
Jan. 11	364,455	447,509	4,561
Jan. 10	355,703	571,584	13,670
Jan. 9	333,570	531,421	4,989

*Included in the sales figures

Dividends

Company	Per	Amt	Pay	Rec
DISTRIBUTION				
Parker & Parsly Dvl	Q	.45	3-15	1-31
INCREASED				
Cntrl & Sth West Cp	Q	.69	2-28	2-8
PROPOSED STOCK SPLIT				
Officeland Inc — 3-for-1				
USUAL				
AAR Corp	Q	.12	3-5	1-29
Federtd Fncl Svgs	Q	.09	2-12	1-22
Jorgnsn (Earl M)	Q	.25	2-9	1-31
Mellon Part Mtge Tr	Q	.0685	2-12	x-1-29
Mine Safety Applncs	Q	.19	3-10	2-16
Motorola Inc	Q	.19	4-12	3-16
Old Kent Fincl	Q	.26 ½	3-15	2-16
Petro Resources	-	.20	3-1	2-20
PS Group Inc	-	.15	2-14	1-30
Southern Co	Q	.53 ½	3-6	2-5
Thomson Corp	Q	.103	3-15	2-15
Weynbrg Shoe Mfg	Q	.25	4-2	3-5

a-annual; m-monthly; q-quarterly; s-semi-annual
x-Company corrected record date.
Source: UPI.


The Global Newspaper.

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	2645.48	2698.38	2634.17	2692.62	+ 23.25
Trans	1127.67	1158.70	1123.76	1156.47	+ 21.33
Util	218.75	221.71	218.00	221.52	+ 1.37
Comp	988.57	1009.48	984.70	1007.56	+ 11.16

Standard & Poor's Indexes

	High	Low	Close	Ch'ge
Industrials	391.84	383.24	391.83	+ 4.38
Transp.	272.97	266.84	272.97	+ 5.22
Utilities	145.01	141.93	145.01	+ 1.66
Finance	29.88	29.34	29.88	+ 0.20
SP 500	340.75	333.37	340.75	+ 3.75
SP 100	319.90	312.87	319.87	+ 3.71

NYSE Indexes

	High	Low	Close	Ch'ge
Composite	188.37	185.07	188.37	+ 1.66
Industrials	226.47	222.40	226.47	+ 2.12
Transp.	174.70	170.57	174.70	+ 2.90
Utilities	95.36	93.78	95.36	+ 0.87
Finance	150.84	149.00	150.84	+ 0.65

NASDAQ Indexes

	Close	Ch'ge	Week Ago	Month Ago
Composite	440.16	+ 3.52	459.73	434.35
Industrials	436.84	+ 5.17	456.56	428.81
Finance	495.49	— 0.40	508.79	486.77
Insurance	528.46	— 1.67	552.28	524.28
Utilities	672.05	+ 9.32	708.87	699.65
Banks	388.25	+ 0.59	399.75	375.38
Transp.	486.80	— 0.43	505.73	477.44

AMEX Stock Index

High	Low	Close	Ch'ge
368.58	364.75	368.41	— 0.17

Dow Jones Bond Averages

	Close	Ch'ge
Bonds	92.49	— 0.14
Utilities	93.98	— 0.15
Industrials	91.01	— 0.13

Market Sales

NYSE 4 p.m. volume	186,070,000
NYSE prev. cons. close	169,125,080
Amex 4 p.m. volume	15,830,080
Amex prev. cons. close	15,396,000
NASDAQ 4 p.m. volume	147,594,200
NASDAQ prev. 4 p.m. volume	108,056,000
NYSE volume up	112,773,500
NYSE volume down	52,465,800
Amex volume up	7,418,300
Amex volume down	5,522,700
NASDAQ volume up	n.a.
NASDAQ volume down	n.a.

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
PhilMr s	39548	39⅞	37⅝	39¼	+1¾
Citicorp	32766	27¼	26	26	—½
Aristec s	31064	24⅝	19	24⅝	+5½
Rorer	26133	62¾	60½	62¾	—¼
AT&T	23588	43½	41¼	43¾	+⅝
Waste s	21326	33	31⅛	33	+1
IBM	20549	100⅝	97½	100⅜	+2¼
GenEl	18948	63¼	61½	63¼	+⅝
Merck	18537	73⅛	70⅝	73⅛	—⅛
UCarb	14423	22⅜	22	22⅛	+¼
FdNM s	14153	37⅞	35⅝	37⅝	+1½
DowCh s	12940	69½	66½	69¼	+1⅜
AmExp	12454	32⅜	32¼	32⅜	—⅜
ParCom	12573	47⅞	44⅞	47⅞	+1⅛
BrwnFr	12345	35	33¼	35	+⅝

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
Dk Nk wt	16478	6⅝	5⅛	5⅜	—½
BAT In	12450	13⅝	13¼	13⅝	
TexAir	8236	9¼	8½	9¼	+⅜
EchoBy	4455	20¼	19⅝	20¼	
DowC rt	3994	8½	8¼	8⅝	+¼
Amdhl	3795	14½	13⅞	14½	+⅜
ENSCO	3395	3⅞	3⅝	3⅞	+¼
FruitL	3330	14¾	13⅝	14¼	+¼
HomeSh	2891	8⅝	7⅜	8¼	—⅛
Sotbby s	2812	21½	20⅝	21½	—⅛
Hasbro	2191	20	19½	20	+¼
A-atf2 sc	2171	17½	15¾	17¼	+¾
Baldw s	2166	11½	10½	11	—⅜
DWG	2076	15⅛	12⅜	14⅛	+¼
WDigitl	1997	9⅝	8½	9⅝	+1

Rally by Blue Chips Leads NYSE Higher

Compiled by Our Staff From Dispatches

NEW YORK — A blue-chip rally led by bargain-hunting and a surge in technology issues pushed prices higher on the New York Stock Exchange on Tuesday.

The Dow Jones industrial average, which fell 19.84 points on Monday, rose 23.25, to 2,692.62.

N.Y. Stocks

Earlier, European stocks ended sharply lower, following the dive in Tokyo. The DAX index in Frankfurt fell a massive 2.9 percent, or 52.93 points, to 1,788.68. The West German market was also hit by concerns over developments in the Soviet Union.

British stocks fared better. The Financial Times 100-stock index fell 17.1 points, to 2,349.1. It had been as much as 37 points lower, but overcame some of its loss as Wall Street prices held up well.

Although declining issues had led advancers by as much as a 5-1 ratio in early trading, the gaining stocks narrowly outnumbered losers at the close. Volume rose to 186.07 million shares from the 140.59 million traded on Monday.

Despite the Big Board rise, prices were slightly lower in active trading of American Stock Exchange issues. The index there fell 0.17, to 368.41. The NASDAQ index of over-the-counter stocks, however, rose 3.52 points, to 440.16.

Analysts said bargain-hunting by institutions after the market's plunge last week and the rally in technology issues pushed stocks ahead. Bolstering computer stocks were surprisingly strong earnings from Intel Corp. Tuesday and NCR Corp. Monday, they said.

"Institutions took the opportunity to buy on weakness," said Peter Vandenberg, vice president of equity trading at Shearson Lehman Hutton Inc. "And there's been buying in the technology sector. IBM's earnings are supposed to come out soon and they're supposed to be okay," he said.

Auto stocks were broadly higher on unexpectedly strong domestic car sales reports for the early-January period. General Motors rose 1¼ to 42½; Ford Motor 1¾ to 45, and Chrysler ⅝ to 18¾.

Elsewhere, Sea Containers soared after plunging Monday.

(UPI, Reuters, AFP, AP)

TOKYO: *No Collapse Expected*

(Continued from page 1)

from recent levels and an important sign, analysts said, that there was no panic selling and that Japanese institutions with dominant positions in the market were not selling.

Although selling appeared to be gaining momentum, the market's focus continued to be the currency and bond markets.

"The market has the impression banks have to sell equities to cover their domestic bond market losses," said Craig Chudler, market strategist for Smith New Court. "That's not necessarily true, but equity selling is the first thing that comes to mind."

Fears of inflation rose Tuesday with the central bank's release of annual wholesale price figures.

These prices rose 2.5 percent in 1989, the bank reported. It was the index's first increase since 1982, and for December it was up 3.9 percent from December 1989.

Supported by reports of increasing ethnic violence in the Soviet Union, the dollar gained four-tenths of a yen in Tokyo trading. It ended at 145.95, its highest level here since last September, when the U.S. currency briefly broke through the 150 level against the yen.

As in the stock market, the day's trend was set soon after trading began. Spot volume was $7.67 billion, compared with $6.66 billion on Friday. The Bank of Japan was believed to have sold roughly $500 million to prop up the yen.

BUSINESS BRIEFS

Fuji Heavy Bidding for Subaru Unit

DETROIT (AP) — Fuji Heavy Industries Ltd. on Tuesday proposed a $146.7 million buyout of outstanding common stock in Subaru of America Inc.

Fuji Heavy already owns 49.6 percent of Subaru of America's outstanding shares and proposes to pay $6 per share for the remainder, the company said. At $6 a share, Subaru of America's 48.5 million outstanding shares of common stock are worth $291.0 million. Subaru shares closed Tuesday at $6, up 87.5 cents, in over-the-counter activity.

TWA Sells 11 Jets to Help Cut Debt

ST. LOUIS (AP) - Trans World Airlines Inc. has sold 11 jumbo jets for $210 million to two leasing companies in an effort to raise cash and reduce its large debt, company officials said Tuesday.

It is the second time in less than a month that the airline has announced the sale of an asset. On Dec. 18, TWA said it planned to sell its Chicago-London route and related assets to American Airlines for $195 million. That deal must be approved be the federal government.

Simmons Building Lockheed Stake

WASHINGTON (Reuters) — Harold Simmons told the Securities and Exchange Commission on Tuesday that he had increased his holdings in Lockheed Corp. to 17.9 percent from 15.8 percent.

He said that since Dec. 8 his company, Kronos Inc., bought 659,800 shares for $38.50 to $40 each.

Intel Income Rises in 4th Quarter

SANTA CLARA, California (Reuters) — Intel Corp. reported Tuesday that its fourth-quarter net income rose 43 percent, to $122.7 million, but it said earnings for all of 1989 fell to $391.0 billion, down 13.7 percent from the previous year.

Intel said the lower net income for 1989 was primarily due to write-offs that covered a factory closing and the scrapping of a joint venture with Siemens AG and to the development of a more expensive platform product line by its systems division.

Rorer Stock Falls on Uncertainties

PHILADELPHIA (Reuters) — Rorer Group Inc. stock slipped Tuesday in active trading on some profit-taking and uncertainty over details of its talks to sell 68 percent of the company to an unnamed acquirer, analysts said.

Rorer, which soared $13.75 Monday, fell 25 cents, to $62.75. Michael Martorelli, an analyst with Janney Montgomery Scott, said that Rorer's statement Monday about the talks lacked details "and details mean a lot." The stock "will bounce around until there's more news," he said.

For the Record

Honeywell Inc. says it has agreed to establish a joint venture in East Germany with VE AHB Industrianlagen Import, an East German-owned trading company, that would provide industrial automation equipment to the country's petroleum and chemical plants. *(AP)*

LA Gear Inc. said Tuesday that it had signed a letter of intent under which Asics Corp. would market and distribute LA Gear products in Japan. *(Reuters)*

Dollar Rally Falters Amid Questionable Outlook

Reuters

NEW YORK — The dollar ended mixed in slow trading Tuesday after an early rally faltered.

Dealers said the long-term outlook for the U.S. currency was doubtful, despite recent strength.

The U.S. unit edged up to 1.6960 Deutsche marks from 1.6958 DM

Foreign Exchange

on Monday, but it slipped to 145.395 yen from 145.435.

The dollar also fell to 1.5090 Swiss francs from 1.5110 but rose to 5.7600 French francs from 5.7355.

The British pound rose against the dollar, to $1.6585 from $1.6330.

The dollar opened higher after a safe-haven rally overseas due to riots in the Soviet Union, dealers said.

The rally left U.S. traders uncertain as to whether the tide had turned and the dollar would rise further, or whether it was just a temporary upward blip in a continued downtrend.

Trading was slow ahead of U.S. trade date due out Wednesday, and the early gains evaporated when Europeans squared long positions in the dollar.

Earlier in Europe, the dollar also closed mixed and off its highs.

"When the dollar dropped below 1.71 DM, people wanted to get rid of their long dollar positions," said Peter Medlock, chief dealer at Société Générale. "The dollar's rally has been a flight to quality because of the events in Russia." The repercussions of turmoil in the southern Soviet Union, he added "could be felt worldwide."

In London, the dollar closed at 1.6905 DM, up from 1.6895 DM at Monday's close, but at 145.25 yen, down slightly from 145.28 yen.

It rose to 1.5168 Swiss francs from 1.5065 francs, and to 5.7612 French francs from 5.7500 francs.

The pound slipped to $1.6550 from $1.6615.

Traders said the dollar's early rally was not backed up by anything solid, and underlying factors had not changed.

"The fundamentals don't look too bright for the dollar," said Mr. Medlock. He pointed to Wednesday's scheduled release of U.S. trade figures as a possible unsettling factor.

The Soviet troubles center on the southern republics of Armenia and Azerbaijan where troops have been sent to quell battles between ethnic groups. The situation poses a threat to President Mikhail S. Gorbachev's leadership position, and dealers said they were not surprised at the dollar reaction.

Few in Europe thought the dollar's rally would continue.

"On fundamental grounds, you can't be over enthusiastic about the possibility of a dollar rally for an extended period of time," said David Sawyer, vice president of foreign exchange at First Chicago.

London Dollar Rates

Closing	Tue.	Mon.
Deutsche mark	1.6905	1.6895
Pound sterling	1.6550	1.6615
Japanese yen	145.25	145.28
Swiss franc	1.5168	1.5065
French franc	5.7612	5.7500

Source: Reuters

U.S. FUTURES

Via Associated Press Jan. 16

Season High	Season Low		Open	High	Low	Close	Chg.
Grains							
WHEAT (CBT) 5,000 bu minimum- dollars per bushel							
4.43	3.87	Mar	3.99½	4.01	3.97¾	3.98¾	—.01¼
4.32	3.70	May	3.78	3.80	3.76¼	3.76¾	—.02
3.85	3.42¼	Jul	3.54½	3.56	3.52¾	3.53	—.02¼
3.73	3.48	Sep	3.60½	3.61½	3.58	3.58	—.02½
3.80	3.56	Dec	3.71½	3.71¾	3.69	3.69¾	—.02
3.82½	3.77	Mar	3.76	3.76	3.75½	3.75½	—.01½
Est. Sales		Prev. Sales 16,853					
Prev. Day Open Int. 54,497 off 48							
CORN (CBT) 5,000 bu minimum- dollars per bushel							
2.86½	2.26	Mar	2.43	2.43¾	2.42	2.42½	—.01¼
2.89½	2.30	May	2.49	2.49¾	2.48¼	2.49	—.01¼
2.85	2.31	Jul	2.54	2.54½	2.53	2.53¾	—.01¼
2.71	2.29	Sep	2.50½	2.50¾	2.50½	2.50½	—.00¼
2.67½	2.22	Dec	2.48½	2.49¼	2.48¼	2.49¼	—.00¼
2.56	2.41	Mar	2.54¾	2.55¾	2.54¼	2.55½	—.00½
2.60	2.55½	May	2.59½	2.59½	2.59¼	2.59¼	—.00¼
Est. Sales		Prev. Sales 53,207					
Prev. Day Open Int. 179,736 up 3,582							
SOYBEANS (CBT) 5,000 bu minimum- dollars per bushel							
7.67	5.51	Jan	5.63½	5.63½	5.57½	5.58	—.06
7.74	5.63½	Mar	5.74½	5.75¼	5.67¼	5.68	—.07¾
7.78	5.73½	May	5.87	5.89	5.81	5.81½	—.07¾
7.31	5.78½	Jul	6.01	6.01¼	5.92½	5.93	—.09
7.05	5.78	Aug	6.04	6.04½	5.96	5.96	—.09
6.60	5.68	Sep	6.04	6.04½	5.94	5.94	—.11
6.40	5.64½	Nov	6.10½	6.11½	6.01	6.01½	—.10¼
6.35½	5.87	Jan	6.20	6.20½	6.11	6.11	—.11
6.42	6.30½	Mar	6.29½	6.29½	6.22	6.22	—.10
Est. Sales		Prev. Sales 22,181					
Prev. Day Open Int. 96,325 off 1,199							
SOYBEAN MEAL (CBT) 100 tons- dollars per ton							
230.00	174.50	Jan	174.00	174.50	171.80	171.90	—2.80
249.20	175.20	Mar	175.70	176.00	173.80	173.90	—2.30
230.50	174.50	May	177.80	178.20	176.20	176.30	—1.90
208.00	174.00	Jul	180.40	180.70	178.90	179.10	—1.60
188.00	173.50	Aug	181.50	182.00	180.10	180.10	—2.00
188.80	177.50	Sep	182.50	183.20	181.00	181.10	—2.00
188.50	174.00	Oct	184.30	184.30	182.30	182.30	—2.10
190.50	174.00	Dec	186.50	187.00	184.60	185.10	—2.10
189.00	186.10	Jan	185.00	185.00	185.00	184.50	—3.00
Est. Sales		Prev. Sales 16,549					
Prev. Day Open Int. 57,742 up 1,521							
SOYBEAN OIL (CBT) 60,000 lbs- dollars per 100 lbs.							
25.45	18.35	Jan	19.10	19.10	18.94	18.98	—.17
25.85	18.78	Mar	19.35	19.40	19.15	19.16	—.26
26.05	19.20	May	19.69	19.75	19.50	19.52	—.27
25.80	19.50	Jul	19.98	20.02	19.74	19.77	—.27
23.90	19.50	Aug	20.05	20.05	19.78	19.80	—.28
21.70	19.50	Sep	20.05	20.05	19.82	19.82	—.26
21.35	19.90	Oct	20.05	20.05	19.87	19.88	—.24
21.50	20.00	Dec	20.25	20.25	19.97	19.97	—.28
21.45	20.05	Jan	20.00	20.00	20.00	19.95	—.30
20.60	20.25	Mar				20.27	—.03
Est. Sales		Prev. Sales 6,067					
Prev. Day Open Int. 71,917 off 439							
Livestock							
CATTLE (CME) 40,000 lbs.- cents per lb.							
78.00	69.80	Feb	77.20	77.80	77.00	77.60	+.33
76.95	70.80	Apr	76.25	76.60	75.80	76.27	—.20
73.45	69.75	Jun	71.67	72.02	71.45	71.70	—.07
72.07	69.12	Aug	70.90	71.07	70.60	70.92	—.13
72.35	69.30	Oct	71.25	71.55	71.05	71.45	—.05
73.20	71.00	Dec	72.25	72.30	72.00	72.20	—.10
Est. Sales 17,910		Prev. Sales 10,148					
Prev. Day Open Int. 95,114 up 1,243							
FEEDER CATTLE (CME) 44,000 lbs.- cents per lb.							
85.60	77.30	Jan	83.30	83.45	83.10	83.32	—.03
84.10	77.40	Mar	82.15	82.15	81.85	82.00	—.20
83.00	78.90	Apr	81.70	81.70	81.45	81.50	—.22
82.00	78.40	May	80.80	80.95	80.60	80.60	—.25
81.10	78.50	Aug	80.10	80.10	79.65	79.90	—.30
80.35	78.00	Sep	79.52	79.52	79.50	79.50	—.35
80.00	78.20	Oct	79.50	79.50	79.10	79.30	—.30
80.00	79.00	Nov	79.50	79.50	79.25	79.50	—.10
Est. Sales 1,944		Prev. Sales 2,086					
Prev. Day Open Int. 10,587 off 51							
HOGS (CME) 30,000 lbs.- cents per lb.							
51.87	41.75	Feb	50.05	50.35	49.52	49.70	—.60
48.90	39.40	Apr	47.80	48.00	47.27	47.37	—.55
53.05	44.25	Jun	52.40	52.97	52.30	52.42	—.23
53.20	44.95	Jul	52.70	53.02	52.40	52.60	—.17
51.60	43.70	Aug	50.90	51.35	50.80	50.97	+.05
46.55	40.80	Oct	45.25	45.50	45.15	45.35	
47.90	44.25	Dec	47.20	47.20	46.85	46.85	—.15
45.95	45.25	Feb	46.90	46.90	46.80	46.80	
Est. Sales 5,686		Prev. Sales 7,494					
Prev. Day Open Int. 31,795 up 104							
PORK BELLIES (CME) 40,000 lbs.- cents per lb.							
65.90	38.30	Feb	55.30	56.90	54.90	55.62	+.32
64.90	38.15	Mar	55.80	57.35	55.50	56.17	+.37
63.75	39.50	May	57.00	58.60	56.80	57.35	+.40
61.90	39.95	Jul	57.20	58.85	56.95	57.57	+.25
60.00	39.90	Aug	55.20	56.95	55.20	55.60	+.20
63.40	48.07	Feb	57.37	57.70	56.60	56.60	—.10
58.00	50.30	Mar				56.80	
Est. Sales 5,783		Prev. Sales 4,201					
Prev. Day Open Int. 11,989 off 395							
Food							
COFFEE C (NYCSCE) 37,500 lbs.- cents per lb.							
146.00	71.00	Mar	77.80	78.25	76.60	77.55	—.01
124.50	72.75	May	79.90	80.10	78.50	79.35	—.39
132.25	74.85	Jul	82.00	82.00	80.50	81.19	—.57
128.00	77.25	Sep	84.10	84.10	82.50	83.10	—.33
104.00	81.00	Dec	86.75	86.75	85.15	85.60	—.75
116.75	83.00	Mar	88.50	88.50	88.00	88.00	—1.00
122.00	92.50	May				89.75	—1.25
Est. Sales 7,514		Prev. Sales 9,465					
Prev. Day Open Int. 37,800 off 317							
SUGARWORLD 11 (NYCSCE) 112,000 lbs.- cents per lb.							
15.38	8.75	Mar	14.30	14.64	14.28	14.48	—.17
15.10	9.26	May	14.32	14.60	14.21	14.45	—.17
14.84	10.55	Jul	14.17	14.47	14.12	14.32	—.17
14.41	10.40	Oct	13.80	14.06	13.68	13.92	—.21
13.74	12.10	Mar	13.10	13.30	13.10	13.22	—.17
		May				13.10	—.20
Est. Sales 36,969		Prev. Sales 14,340					
Prev. Day Open Int. 162,340 off 1,371							
COCOA (NYCSCE) 10 metric tons- $ per ton							
1525	896	Mar	968	969	951	958	—19
1465	905	May	963	965	950	954	—18
1380	921	Jul	972	975	962	966	—14
1400	941	Sep	990	990	980	982	—16
1395	965	Dec	1010	1010	1000	1002	—18
1390	985	Mar	1030	1030	1018	1022	—18
1071	1000	May				1033	—17
Est. Sales 5,586		Prev. Sales 4,417					
Prev. Day Open Int. 53,748 off 3							
ORANGE JUICE (NYCE) 15,000 lbs.- cents per lb.							
201.00	121.00	Jan	192.00	198.00	191.25	195.25	+4.00
198.50	121.40	Mar	194.00	200.15	193.50	198.70	+3.55
197.75	122.50	May	193.75	199.15	193.50	198.50	+4.35
197.00	123.00	Jul	193.00	198.25	192.50	197.25	+4.00
196.15	123.50	Sep	190.75	197.00	190.75	195.00	+2.85
195.00	124.00	Nov	192.00	194.00	192.00	192.00	+2.00
189.75	125.00	Jan	186.25	189.75	184.25	189.75	+3.00
189.75	180.00	Mar	185.00	185.00	185.00	189.15	+3.65
189.75	178.00	May	185.00	189.00	185.00	189.00	+4.00
Est. Sales		Prev. Sales 3,323					
Prev. Day Open Int. 9,541 up 449							
Metals							
HI GRADE COPPER 25,000 lbs.- cents per lb.							
130.00	101.75	Jan	103.20	105.10	103.20	105.00	+.40
126.00	102.50	Feb	103.80	104.98	103.80	104.70	+.30
125.90	98.50	Mar	103.40	105.90	102.30	104.50	+.50
123.70	98.70	Apr	102.50	104.10	102.50	103.80	+.50
120.70	95.85	May	102.25	104.00	101.20	103.60	+.40
116.80	98.50	Jun	102.70	102.70	102.70	102.70	+.50
117.10	93.25	Jul	101.00	102.70	100.60	102.60	+.50
110.50	100.50	Aug				101.90	+.45
112.30	94.00	Sep	100.50	100.90	100.00	101.40	+.45
109.80	99.50	Oct				101.00	+.50
101.70	99.80	Nov				100.60	+.60
110.00	93.75	Dec	99.20	99.20	99.00	100.30	+.50
102.50	101.00	Jan				100.00	+.80
106.00	98.50	Mar				99.50	+.80
103.25	103.25	May				98.80	+.80
		Jul				98.80	+.80
		Sep				98.80	+.80
Est.Sales 7,300		Prev.Sales 7,917		Prev.Day Open Int. 30,973		Chg. +123	
ALUMINUM (COMEX) 40,000 lbs.- cents per lb.							
82.50	82.50	Jan				69.75	—.50
		Feb				69.75	—.50
87.00	71.00	Mar				71.00	—.50
75.00	72.50	May				70.75	—.75
95.50	95.50	Jul				70.75	—.50
74.50	74.50	Sep				70.75	—.50
		Dec				70.75	—.50
		Jan				70.75	—.50
		Mar				70.75	—.50
		May				70.75	—.50
		Jul				70.75	—.50
		Sep				70.75	—.50
Est. Sales		Prev. Sales					
Prev. Day Open Int. 48							
SILVER (COMEX) 5,000 troy oz.- cents per troy oz.							
815.0	512.0	Jan				523.0	—1.2
567.0	520.0	Feb				524.4	—1.3
910.0	517.6	Mar	528.5	534.0	525.5	528.5	—1.3
918.0	526.5	May	537.0	542.0	533.5	536.6	—1.3
761.5	534.0	Jul	545.5	550.0	542.0	544.5	—1.4
760.8	541.0	Sep	554.0	557.5	551.0	552.8	—1.5
742.0	552.5	Dec	562.5	568.0	562.0	564.3	—1.5
688.0	594.0	Jan				567.8	—1.5
665.0	565.0	Mar	575.0	576.5	575.0	576.1	—1.6
647.0	573.0	May				583.9	—1.6
667.5	583.0	Jul				592.2	—1.4
654.0	590.8	Sep				601.0	—1.4
Est. Sales 18,000		Prev. Sales 15,912					
Prev. Day Open Int. 95,260 up 689							
PLATINUM (NYME) 50 troy oz.- dollars per troy oz.							
601.50	464.50	Jan	499.00	499.00	496.50	495.20	—4.10
597.50	472.00	Apr	504.00	505.00	499.50	502.00	—4.10
556.00	477.00	Jul	509.70	509.70	507.50	508.70	—4.10
560.50	483.50	Oct	517.00	517.00	514.50	516.00	—4.10
537.00	493.90	Jan				523.50	—4.10
		Apr				531.50	—4.10
Est. Sales		Prev. Sales 2,552					
Prev. Day Open Int. 19,442 off 497							
PALLADIUM (NYME) 100 troy oz.- dollars per oz							
176.00	123.00	Mar	138.00	138.50	135.00	137.20	—1.90
175.00	133.00	Jun	139.00	139.25	138.00	138.10	—1.90
149.50	133.00	Sep	140.00	139.50	139.50	139.10	—1.90
147.00	138.25	Dec				139.95	—1.90
141.00	141.00	Mar				140.70	—1.90
Est. Sales		Prev. Sales 575					
Prev. Day Open Int. 6,314 off 64							
GOLD (COMEX) 100 troy oz.- dollars per troy oz.							
418.00	378.00	Jan	412.00	412.00	412.00	410.80	—2.90
516.00	364.70	Feb	414.30	419.20	409.00	412.20	—2.90
420.50	397.00	Mar				414.70	—3.00
525.80	370.60	Apr	420.00	421.50	415.00	417.60	—3.00
497.00	372.90	Jun	424.00	426.50	420.00	422.60	—3.00
487.00	380.00	Aug	430.60	430.60	425.50	427.40	—2.90
472.00	384.50	Oct	434.20	434.20	434.00	432.40	—2.80
455.50	387.50	Dec	439.50	440.50	436.50	437.40	—2.70
454.50	394.80	Feb	445.00	445.00	445.00	442.50	—2.70
460.00	398.90	Apr				447.30	—2.70
463.00	402.60	Jun				452.60	—2.70
468.00	381.30	Aug				457.70	—2.70
475.00	450.00	Oct				463.00	—2.70
Est. Sales 70,000		Prev. Sales 54,220					
Prev. Day Open Int. 149,393 off 7,212							
Financial							
US T. BILLS (IMM) $1 million- pts of 100 pct.							
93.40	90.75	Mar	93.00	93.07	92.84	92.86	—.09
93.65	91.10	Jun	93.08	93.15	92.92	92.95	—.14
93.65	91.28	Sep	92.99	92.99	92.89	92.89	—.17
93.32	92.85	Dec	92.87	92.87	92.69	92.70	—.35
93.20	92.74	Mar	92.77	92.77	92.60	92.60	—.14
		Jun	92.70	92.70	92.68	92.68	
Est. Sales		Prev. Sales 3,897					
Prev. Day Open Int. 43,506 up 158							
10 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
101-7	95-17	Mar	98-17	98-21	98-2	98-8	—7
101-6	97-28	Jun	98-10	98-17	98-3	98-5	—7
100-14	99-2	Sep	98-2	98-4	98-1	98-2	—7
Est. Sales		Prev. Sales 6,497					
Prev. Day Open Int. 68,735 up 1,451							
US TREASURY BONDS (CBT) (8 pct-$100,000-pts & 32nds of 100 pct)							
101-4	72-1	Mar	96-20	96-21	95-27	96-10	—8
100-15	75	Jun	96-14	96-16	95-28	96-4	—8
100-4	79-1	Sep	96-1	96-8	95-23	95-31	—8
99-24	80	Dec	95-26	95-27	95-17	95-22	—8
99-12	79-21	Mar	95-15	95-18	95-8	95-13	—8
99-4	82-18	Jun	95-4	95-8	95	95-4	—7
99-5	86-4	Sep	95-1	95-1	94-26	94-26	—7
98-20	88-18	Dec	94-25	94-25	94-18	94-18	—7
98-13	94-4	Mar				94-11	—7
97-19	94-16	Jun				94-4	—7
		Sep				93-29	—7
Est. Sales		Prev. Sales 68,318					
Prev. Day Open Int. 319,926 off 4,929							
MUNICIPAL BONDS (CBT) $1000x Index-pts & 32nds of 100 pct							
95-23	85-19	Mar	92-12	92-24	92-11	92-13	—11
95-13	87-2	Jun	92-30	92-2	92-21	92-23	—12
95-11	90-18	Sep	93-11	93-11	92-28	92-31	—12
Est. Sales		Prev. Sales 903					
Prev. Day Open Int. 12,928 off 81							
EURODOLLARS (IMM) $1 million-pts of 100 pct.							
92.46	88.98	Mar	91.91	91.96	91.82	91.83	—.08
92.45	88.82	Jun	91.88	91.96	91.75	91.78	—.11
92.39	88.74	Sep	91.78	91.84	91.65	91.68	—.11
92.15	89.85	Dec	91.53	91.58	91.40	91.42	—.11
92.01	89.96	Mar	91.46	91.50	91.36	91.36	—.11
91.85	89.91	Jun	91.38	91.41	91.29	91.29	—.09
91.83	90.04	Sep	91.36	91.37	91.26	91.26	—.08
91.78	90.84	Dec	91.28	91.33	91.18	91.19	—.08
91.82	90.89	Mar	91.33	91.33	91.23	91.23	—.07
91.76	90.88	Jun	91.28	91.28	91.19	91.19	—.07
91.72	90.88	Sep	91.23	91.23	91.15	91.14	—.07
91.53	90.87	Dec	91.14	91.14	91.06	91.05	—.07
91.65	90.92	Mar	91.15	91.15	91.06	91.06	—.07
91.51	90.90	Jun	91.07	91.07	91.02	91.02	—.07
91.47	90.90	Sep	91.05	91.05	90.97	90.97	—.07
91.37	91.00	Dec	91.00	91.00	90.92	90.92	—.07
Est. Sales		Prev. Sales 64,641					
Prev. Day Open Int. 631,063 off 5,100							
BRITISH POUND (IMM) $ per pound- 1 point equals $0.0001							
1.6530	1.4400	Mar	1.6340	1.6414	1.6332	1.6390	—42
1.6750	1.4400	Jun	1.6060	1.6136	1.6040	1.6118	—40
1.7700	1.5290	Sep	1.5890	1.5890	1.5820	1.5882	—38
Est. Sales		Prev. Sales 6,241					
Prev. Day Open Int. 23,506 off 382							
CANADIAN DOLLAR (IMM) $ per dlr- 1 point equals $0.0001							
.8595	.7890	Mar	.8527	.8538	.8517	.8536	+9
.8521	.8088	Jun	.8455	.8471	.8450	.8470	+11
.8468	.8107	Sep	.8398	.8398	.8398	.8414	+13
.8420	.8120	Dec	.8355	.8355	.8355	.8368	+15
.8365	.8160	Mar	.8305	.8305	.8305	.8322	+17
Est. Sales		Prev. Sales 12,040					
Prev. Day Open Int. 24,717 off 769							
FRENCH FRANC (IMM) $ per franc- 1 point equals $0.00001							
		Mar				.16780	
Est. Sales		Prev. Sales					
Prev. Day Open Int.							
GERMAN MARK (IMM) $ per mark- 1 point equals $0.0001							
.6012	.5000	Mar	.5859	.5925	.5854	.5898	
.6007	.5057	Jun	.5848	.5900	.5848	.5891	
.5980	.5525	Sep	.5852	.5890	.5842	.5885	
.5866	.5769	Dec				.5882	
.5940	.5915	Mar				.5880	
Est. Sales		Prev. Sales 26,901					
Prev. Day Open Int. 42,609 off 1,418							
JAPANESE YEN (IMM) $ per yen- 1 point equals $0.000001							
.008080	.006780	Mar	.006884	.006904	.006875	.006897	
.007530	.006850	Jun	.006905	.006916	.006896	.006914	+1
.007350	.006890	Sep	.006922	.006930	.006922	.006933	+2
.007040	.006920	Dec				.006952	
Est. Sales		Prev. Sales 11,465					
Prev. Day Open Int. 58,418 off 243							
SWISS FRANC (IMM) $ per franc- 1 point equals $0.0001							
.6709	.5240	Mar	.6530	.6620	.6527	.6599	—5
.6694	.5850	Jun	.6510	.6600	.6510	.6584	—6
.6620	.6050	Sep	.6520	.6620	.6520	.6577	—6
.6592	.5600	Dec				.6570	—10
.6540	.6540	Mar	.6575	.6575	.6575	.6577	+2
Est. Sales		Prev. Sales 16,929					
Prev. Day Open Int. 36,729 off 779							
Industrials							
LUMBER (CME) 150,000 bd. ft.- $ per 1,000 bd. ft.							
197.30	185.00	Mar	195.50	197.50	195.20	197.30	+1.50
198.40	188.00	May	196.80	198.40	196.40	198.40	+1.70
199.40	177.50	Jul	198.40	199.20	197.80	199.10	+1.00
199.40	192.00	Sep	198.50	199.20	198.20	199.20	+.60
200.00	189.90	Nov	195.00	195.10	194.50	195.40	+.40
198.40	184.30	Jan	196.50	196.80	196.50	197.50	+.30
Est. Sales 874		Prev. Sales 951					
Prev. Day Open Int. 5,961 off 189							
COTTON 2 (NYCE) 50,000 lbs.- cents per lb.							
78.40	53.80	Mar	65.90	66.20	65.40	65.85	—.37
78.85	55.90	May	67.00	67.15	66.52	66.81	—.48
78.70	63.70	Jul	67.00	67.25	66.70	67.05	—.35
72.20	63.95	Oct	65.00	65.05	65.00	65.05	—.27
69.20	62.80	Dec	63.95	64.08	63.71	63.90	—.25
68.45	63.82	Mar				63.75	—1.10
64.80	64.40	May	64.80	64.80	64.40	64.25	—1.25
77.40	76.45	Jul				64.35	+.46
Est. Sales		Prev. Sales 3,031					
Prev. Day Open Int. 39,592 off 307							
HEATING OIL (NYME) 42,000 gal- cents per gal							
78.50	48.00	Feb	63.40	65.40	62.70	64.00	—.60
67.50	46.40	Mar	58.85	60.35	57.80	59.50	—1.15
62.50	45.00	Apr	55.80	57.05	54.60	55.50	—.11
59.50	44.50	May	53.00	55.18	53.00	54.90	+.64
57.70	44.90	Jun	51.75	53.42	51.75	53.20	+.40
57.30	46.80	Jul	51.60	53.10	51.75	53.10	+.64
57.40	47.80	Aug	53.00	53.00	53.00	53.00	—.01
58.00	48.80	Sep	54.00	54.00	53.75	53.75	—.06
55.70	51.80	Nov	55.30	55.30	55.30	55.30	+.29
58.50	52.85	Dec	56.00	56.00	56.00	56.00	+.39
Est. Sales		Prev. Sales 31,820					
Prev. Day Open Int. 85,186 off 143							
CRUDE OIL (NYME) 1,000 bbl.- dollars per bbl.							
22.92	15.74	Feb	22.19	22.94	21.94	22.75	+.39
22.10	16.10	Mar	21.30	21.85	21.25	21.74	+.25
22.84	16.20	Apr	20.75	21.34	20.50	21.13	+.18
22.15	16.28	May	20.28	20.73	20.21	20.61	+.18
21.74	16.50	Jun	19.97	20.34	19.90	20.20	+.06
21.40	16.40	Jul	19.45	19.95	19.45	19.84	+.04
21.05	16.39	Aug	19.47	19.65	19.43	19.45	+.13
20.86	16.50	Sep	19.05	19.40	19.00	19.32	+.03
20.55	16.50	Oct	18.87	19.20	18.87	19.18	—.01
20.46	17.30	Nov	18.79	19.15	18.79	18.90	—.07
20.50	12.80	Dec	18.60	19.05	18.60	18.90	+.03
20.30	17.87	Jan	18.61	18.95	18.61	18.90	+.10
20.08	18.15	Feb	18.53	18.82	18.53	18.82	+.12
19.95	18.54	Mar	18.72	18.72	18.72	18.72	+.08
20.13	18.03	Apr	18.58	18.58	18.58	18.58	
19.10	17.98	Jul	18.40	18.40	18.40	18.40	
Est. Sales		Prev. Sales 71,939					
Prev. Day Open Int. 286,406 off 3,803							
Stock Indexes							
SP COMP. INDEX (CME) points and cents							
349.05	325.82	Mar	336.00	342.00	335.30	342.10	+2.90
373.20	332.85	Jun	340.20	347.00	339.30	346.15	+2.95
372.50	345.40	Sep	344.20	350.50	343.70	350.10	+3.15
Est. Sales 54,539		Prev. Sales 37,450					
Prev. Day Open Int. 111,547 up 1,963							
VALUE LINE (KCBT) points and cents							
314.80	279.10	Mar	276.10	282.00	275.75	281.10	+1.50
317.30	284.10	Jun	281.00	281.00	281.00	285.50	+1.40
		Sep				289.75	+1.15
		Dec				294.05	+.95
Est. Sales		Prev. Sales 344					
Prev. Day Open Int. 1,149 off 48							
NYSE COMP. INDEX (NYFE) points and cents							
204.20	170.20	Mar	185.75	189.40	185.20	189.10	+1.70
203.45	177.00	Jun	188.50	191.40	187.40	191.20	+1.70
209.00	190.80	Sep	191.90	192.40	191.90	193.30	+1.70
206.50	197.70	Dec				195.40	+1.70
Est. Sales		Prev. Sales 5,898					
Prev. Day Open Int. 6,326 off 319							

Commodity Indexes

	Close	Previous
Moody's	1,070.10 f	1,072.00 f
Reuters	1,791.40	1,795.20
D.J. Futures	129.56	129.98
Com. Research	231.70	233.90

Moody's : base 100 : Dec. 31, 1931.
p - preliminary; f - final
Reuters : base 100 : Sep. 18, 1931.
Dow Jones : base 100 : Dec. 31, 1974.

WORLD STOCK MARKETS

Agence France Presse Jan. 16

	Close	Prev.
Amsterdam		
ABN Bank	39.20	39.80
ACF Holding	38	38.80
Aegon	110.50	113.20
Ahold	124.20	126.20
Akzo	128.70	132.70
AMEV	59	60.40
A'Dam Rubber	5.70	5.70
Amro Bank	75.40	77.50
Bols	149	171.70
Buhrmann Tett	59.80	61.80
BVG	27.50	27.50
Center Parcs	57	59.30
CSM	77	78
DAF	36	37.30
DSM	116	118.40
Elsevier	79.30	81.60
Fokker	38.20	39.90
Gist-Brocades	28.70	28.90
Heineken	118.70	122.10
Hoogovens	74.60	75.50
Hunter Douglas	105.50	106.10
IHC Caland	36.50	36.60
Inter Mueller	99.50	100.50
KLM	44.70	45.60
KNP	48	49.60
Nat Neder	70.90	72.50
Nedlloyd	86	88.50
NMB Bank	48.80	49.20
Oce Grinten	278	282
Pakhoed	152	153
Philips	42.40	44.40
Robeco	103.10	103.70
Rodamco	78.40	78.20
Rolinco	102.40	103
Rorento	58.90	58.80
Royal Dutch	138.20	139.90
Unilever	152	154
Van Ommeren	38.30	36.50
VMF Stork	46.20	47.70
VNU	107.50	110
Wessanen	62.80	64.50
Wolters/Kluwer	43.70	45
CBS Gen'l Trend Index : 113.40		
Previous : 115.60		
Brussels		
Arbed	5270	5270
Bekaert	16425	16425
Cockerill	196	196
Cobepa	5910	5910
Delhaize	5870	5870
EBES	4545	4545
GB-Inno-BM	1394	1394
GBL	4590	4590
Gevaert	8520	8520
Hoboken	20350	20350
Intercom	3700	3700
Kredietbank	4500	4500
Petrofina	12300	12300
Royal Belge	6800	6800
Soc Gen Belge	5810	5810
Sofina	14500	14500
Solvay	14675	14675
Tractebel	9550	9550
UCB	19650	19650
Unerg Ps	2550	2550
Current Stock Index : 6527.28		
Previous : 6527.28		
Frankfurt		
AEG	305	318
Allianz Hldg	2632	2682
Altana	798	812
Asko	887	875
BASF	300	304.80
Bayer	307.50	317.50
Bay. Hypo bank	427.50	434
Bay Vereinsbk	398.50	408
BBC	380.50	403
BHF Bank	443	459
BMW	544	555
Commerzbank	297	306.50
Continental	308.50	322
Daimler Benz	849	874
Degussa	498	507
Dt Babcock	207	217
Deutsche Bank	817	841
Douglas	634	655
Dresdner Bank	417	429
Feldmuehle	525	525
Harpener	475	480
Henkel	565	579.50
Hochtief	970	1001
Hoechst	294.50	295
Hoesch	286	297
Holzmann	1285	1345
Horten	338.50	351
IWKA	370	388
Kali Salz	207.50	207.50
Karstadt	672	687
Kaufhof	670	690
KHD	240	257
Kloeckner Werke	233.50	233.50
Krupp Stahl	235	245
Linde	881	894
Lufthansa	206	212.50
MAN	428	445
Mannesmann	353	362
Metallgesell	610	625
Muench Rueck	2510	2560
Nixdorf	302.50	319
PKI	575	575
Porsche	915	961
Preussag	364	378
PWA	224	225.80
RWE	424	443.50
Rheinmetall	340	345
Schering	781	813
SEL	377	392
Siemens	711.10	738.50
Thyssen	274.50	281
Varta	415	432
Veba	413.60	425
VEW	212	213
Viag	382.50	395.50
Volkswagen	531	552
Wella	673	684.50
DAX Index : 1788.68		
Previous : 1841.61		
FAZ Index : 735.76		
Previous : 749.50		
Helsinki		
Amer A	150	150
Enso-Gutzeit	38	38.50
K.O.P.	48	45.50
Kymmene	100	100
Nokia	102	102
Pohjola	195	190
Stockmann	204	220
United Papers	117	117
Wartsila	455	460
Unitas Index : 827.36		
Previous : 831.19		
Hong Kong		
Bk East Asia	17.50	17.80
Cathay Pacific	8.05	8.15
Cavendish Int'l	3.17	3.17
Cheung Kong	9.40	9.55
China Light Pwr	11.90	12
Dairy Farm Int'l	8.10	8.15
Hang Lung Dev	4.65	4.75
Hang Seng Bank	23.90	24.10
Henderson Land	6.10	6.25
HK Air Eng.	19.70	19.90
HK China Gas	20.40	20.50
HK Electric	7.75	7.90
HK Land	7.65	7.85
HK Realty Trust	4.40	4.42
HK Shang Bank	7.15	7.20
HK Shang Htls	4.52	4.55
HK Telecomm	5.30	5.40
HK Ferry	5.05	5.05
Hutch Whampoa	8.25	8.35
Hysan Dev	1.18	1.21
Jardine Math.	23.30	23.30
Jardine Str Hld	13.80	13.90
Kowloon Motor	4.85	4.85
Mandarin Orient	4.57	4.65
Miramar Hotel	6.75	6.85
New World Dev	9.95	10.10
SHK Props	12.50	12.40
Stelux	2.45	2.47
Swire Pac A	15.50	15.60
Tai Cheung Prps	3.67	3.70
TVE	0.87	0.86
Wharf Hold	4.95	7
Wing On Co	6.75	6.85
Winsor Ind.	7.45	7.45
World Int'l	3.17	3.27
Hang Seng Index : 2751.79		
Previous : 2786.69		
Johannesburg		
AECI	1875	1875
Altech	8250	8250
Anglo Amer Corp	13400	13175
Barlows	4800	4850
Blyvoor	1250	1275
Buffels	7100	7100
GFSA	10900	10800
Harmony	3675	3625
Highveld Steel	1500	1550
Kloof	4600	4625
Nedbank Grp	1925	1920
Rusplat	8850	8825
SA Brews	3275	3225
St Helena	4900	4850
Sasol	1380	1380
Welkom	3475	N.Q.
Western Deep	19200	18850
Composite Stock Index : 3283		
Previous : 3237		
London		
Allied Lyons	5.08	5.12
Anglo Am Gld	41.87	41.87
AA Corp	N.Q.	—
Asda-MFI Gp	1.12	1.13
Am Brit Foods	4.09	4.07
Barclays	5.81	5.85
Bass	10.58	10.65
B.A.T.	8.12	8.22
Blue Circle	2.43	2.46
BOC Group	5.37	5.44
Boots	2.72	2.72
Bowater	4.44	4.49
BAe	5.40	5.55
BAA	2.74	2.75
Brit Airways	2.10	2.16
British Gas	2.25	2.25
BP	3.38	3.38
British Steel	1.34	1.36
Brit Telecom	2.97	2.96
BTR	4.42	4.50
Burmah Oil	6.42	6.48
Cable Wire	5.38	5.43
Cadbury Sch	3.47	3.52
Charter Cons	4.55	4.57
Comm Union	4.87	4.86
Cookson	2.73	2.88
Courtaulds	3.78	3.90
Dalgety	4	3.97
De Beers	18.12	18.12
Dixons	1.27	1.24
Driefontein	14.50	14.25
Eurotunnel	6.16	6.25
Fisons	5.35	5.43
Gen Acc F	11.40	11.45
GEC	2.24	2.25
GKN	4.27	4.40
Glaxo	7.60	7.63
Grand Met	6.33	6.27
GI Univ Stores	14.38	14.38
GRE	2.38	2.41
Guinness	6.46	6.55
Hanson Tr	2.27	2.32
Hawker Sidd	4.77	4.92
ICI	11.37	11.41
Kingfisher	2.92	2.98
Land Sec	5.20	5.19
Legal Gen Grp	4.07	4.10
Lloyds Bank	2.93	2.96
Lonrho	3.21	3.14
Lucas Ind	6.45	6.48
Marks Sp	1.96	1.98
Maxwell	2.14	2.19
MB Group	2.20	2.17
Midland Bk	3.71	3.65
NatWest	3.46	3.47
Pearson Grp	7.30	7.38
P and O	6.38	6.45
Pilkington	2.27	2.32
Prudential	2.22	2.18
Racal Elec	2.28	2.27
Randfontein $	11.18	10.81
Rank Org	8.46	8.42
Reed Intl	4.45	4.48
Reuters	10.10	10.17
Rolls Royce	1.83	1.88
Royal Dutch	43.75	43.87
RTZ	5.68	5.83
Saatchi	2.52	2.57
Sainsbury	2.53	2.60
Sears Hldgs	1.04	1.05
Shell	4.58	4.58
Siebe	5.73	5.86
STC	2.66	2.64
Std Chart Bk	5.51	5.42
Storehouse	1.16	1.19
Sun Alliance	3.27	3.15
Tate and Lyle	2.95	3
Tesco	1.89	1.91
Thorn EMI	7.82	7.85
T.I. Group	4.20	4.34
Trafalgar Hse	3.46	3.46
THF	2.92	2.99
Ultramar	3.64	3.65
Unilever	6.63	6.75
Utd Biscuits	3.50	3.58
Vickers	2.85	2.86
Wellcome	7.35	7.56
Woolworth	61.40	61.75
F.T. 30 Index : 1847.00		
Previous : 1896.90		
F.T.S.E. 100 Index : 2349.10		
Previous : 2366.20		
Madrid		
Bco. Bilbao/Viz.	737	774
Banco Central	940	945
Bco. Santander	695	711
Banesto	948	955
Dragados	N.Q.	—
Iberduero	N.Q.	—
Telefonica	N.Q.	—
S.E. General Index : 287.29		
Previous : 298.34		
Milan		
Banca Comm	5190	5450
Bastogi	364	370
Ciga hotels	5331	5500
CIR	4730	4800
Cred Ital	2810	2950
Enimont	1603	1620
Eridania	8530	8500
Ferruzzi Fin.	3070	3200
Ferruzzi Agr.	2580	2670
Fiat SPA	10910	11150
Generali	40400	41300
IFI	25900	23050
Italcem	12490	12850
Italgas	3080	3150
Italmobiliare	20550	20900
Mediobanca	19050	19400
Montedison	2015	2030
NBA	7100	2100
Olivetti	7190	7330
Pirelli	2970	2980
RAS	26550	26800
Rinascente	7900	8000
Saipem	3000	3000
SIP	3410	3550
SME	3970	4100
Snia	2720	2800
Standa	33850	34400
Stet	3045	5280
Toro Assi Risp	21300	21700
MIB Current Index : 1013		
Previous : 1022		
Montreal		
Alcan Aluminum	26	26⅛
Bank Montreal	30½	30⅝
Bell Canada	45	45⅝
Bombardier A	16⅛	16¼
Bombardier B	15⅞	15⅝
Cambior	16⅛	16
Cascades	5	5
CB Pak	N.Q.	—
Dominion Text A	14⅞	14⅞
Donohue	16¼	16½
MacMillan Bl	18⅛	17⅝
Memotec	10⅝	10⅞
Natl Bk Canada	11⅛	11⅛
Noverco	11¼	11½
Power Corp.	15⅜	15½
Provigo	9⅜	9⅝
Quebec Tel	15⅜	15¼
Quebecor A	14⅝	15
Quebecor B	13⅝	13
Videotron	14⅛	14
Industrials Index : 1623.28		
Previous : 1617.85		
Paris		
Accor	872	885
Air Liquide	664	676
Avions Dassault	670	678
Bancaire (Cie)	617	632
BIC	749	753
Bongrain	3140	3225
Bouygues	609	620
BSN-GD	725	740
Carrefour	3504	3571
Cerus	440.10	441
C.G.E.	522	529
Chargeurs	N.Q.	—
Club Med	746	764
Dumez	854	880
Elf-Aquitaine	532	542
Europe 1	1065	1075
Gen. Eaux	2220	2250
Hachette	390	406.40
Havas	1374	1403
Imetal	295	300
Lafarge Coppee	385	394.50
Legrand	3450	3545
Oreal (L')	4750	4855
L.V.M.H.	4955	5050
Matra	368.80	371.50
Merlin Gerin	4811	4921
Michelin	167.10	171
Moulinex	131.30	136.40
Occidentale	754	768
Paribas	670	680
Pernod-Ricard	1443	1478
Perrier	1776	1810
Peugeot	757	771
Printemps (Au)	720	729
Radiotechnique	579	593
Raff. St. Louis	1585	1612
Redoute (La)	3472	3580
Roussel Uclaf	2206	2220
Saint Gobain	632	651
Sanofi	1079	1079
Skis Rossignol	1025	1028
Societ. Generale	507	517
Suez	440	470
Telemecanique	4500	4580
Thomson-CSF	145.50	149
Total	538	540
Valeo	802	820
CAC 40 Index : 1925.21		
Previous : 1962.37		
Sao Paulo		
Banco do Brasil	10	9
Bradesco	1.08	1
Brahma	0.87	0.85
Paranapanema	0.57	0.56
Petrobras	47	48.50
Vale Rio Doce	1.42	1.41
Varig	10.40	9
Bovespa Index : [illegible]		
Previous : [illegible]		
Singapore		
Cerebos	5.95	5.95
City Dev.	3.62	3.72
DBS	11.70	11.80
Fraser Neave	9.25	9.30
Genting	8.80	8.45
Harrisons Plant	1.72	1.72
Haw Par	2.95	2.97
Hume	3.08	3.26
Inchcape	5.70	5.80
Keppel	6.85	6.90
KL Kepong	3.22	3.24
Lum Chang	1.78	1.80
Malayan Banks	8.65	8.75
OCBC	9.50	9.55
OUB	4.44	4.46
OUE	6.85	7
Sembawang	4.30	4.40
Shangrila	9.55	9.70
Sime Darby	3.08	3.18
SIA	14.60	14.60
S'pore Land	13.10	13.30
S'pore Press	8.30	8.35
Sing Steamship	3.30	3.34
Straits Trading	3.48	3.24
UOB	5.30	5.30
United Overseas	2.13	2.19
Straits Times Ind. : 1512.98		
Previous : 1523.84		
Stockholm		
AGA	N.Q.	367
Alfa Laval	N.Q.	365
Asea	349	349
Astra -A	406	410
Atlas Copco	312	312
Electrolux B	297	297
Ericsson	915	920
Esselte-A	235	230
Handelsbanken	121	121
Pharmacia-A	234	234
Norsk Hydro	147.50	170
Saab-Scania	N.Q.	—
Sandvik	320	322
SCA-A	130	134
S-E. Banken	87.50	87.50
Skandia Intl-A	230	230
Skanska	391	392
SKF	159	162
Stora	324	327
Volvo	433	440
Affaersvaerlden : 1224.39		
Previous : 1246.58		
Sydney		
ANZ	5.96	6.04
BHP	9.88	9.80
Bond	N.Q.	—
Boral	3.85	3.82
Bougainville	1.42	1.40
Coles Myer	8.34	8.40
Comalco	3.95	4.15
CRA	12.30	12.30
CSR	5.48	5.54
Dunlop	5.38	5.52
Elders IXL	2.38	2.36
ICI Australia	5.20	5.28
Magellan	1.65	1.65
MIM	2.35	2.40
Nat Aust Bank	6.44	6.56
News Corp	13.50	13.95
N Broken Hill	2.83	2.85
Poseidon	2.92	2.98
QCT Resources	1.56	1.56
Santos	4.23	4.20
TNT	2.78	2.80
Western Mining	6.58	6.50
Westpac Banking	5.42	5.46
Woodside	2.09	3
All ordinaries Index : 1675.40		
Previous : 1682.10		
Tokyo		
Akai Electr	918	948
Asahi Chemical	1190	1200
Asahi Glass	2200	2300
Bank of Tokyo	1840	1900
Bridgestone	1480	1500
Canon	1890	1850
Casio	1530	1580
C.Itoh	1110	1200
Dai Nippon Print	2340	2340
Daiwa House	2550	2610
Daiwa Securities	2110	2170
Fanuc	8110	8300
Fuji Bank	3360	3440
Fuji Photo	4430	4510
Fujitsu	1500	1540
Hitachi	1490	1500
Hitachi Cable	1240	1280
Honda	1800	1820
Ito Yokado	4300	4380
Japan Air Lines	17500	18000
Kajima	2070	2100
Kansai Power	4410	4720
Kawasaki Steel	778	788
Kirin Brewery	1980	1980
Komatsu	1270	1270
Kubota	1170	1130
Kyocera	3990	4090
Matsu Elec Inds	2300	2290
Matsu Elec Wks	2020	2150
Mitsubishi Bk	3000	3030
Mitsubishi Kasei	978	1000
Mitsubishi Elec	1060	1070
Mitsubishi Hev	1080	1130
Mitsubishi Corp	1730	1820
Mitsui and Co	1220	1300
Mitsukoshi	2470	2530
Mitsumi	1140	1150
NEC	1810	1840
NGK Insulators	1480	1490
Nikko Securities	1740	1810
Nippon Kogaku	1570	1610
Nippon Oil	1680	1720
Nippon Steel	744	758
Nippon Yusen	1080	1120
Nissan	1400	1440
Nomura Sec	3280	3230
NTT (SF)	14562	14511
Olympus Optical	1420	1490
Pioneer	3900	4140
Ricoh	1250	1280
Sanyo Elec	980	1010
Sharp	1780	1870
Shimadzu	1420	1440
Shinetsu Chem	1790	1820
Sony	8440	8550
Sumitomo Bk	3410	3480
Sumitomo Chem	898	919
Sumi Marine	1400	1460
Sumitomo Metal	796	820
Taisei Corp	1470	1520
Taisho Marine	1420	1440
Takeda Chem	2280	2290
TDK	5890	5900
Teijin	935	955
Tokyo Marine	2080	2040
Tokyo Elec Pw	5800	5840
Toppan Printing	2180	2210
Toray Ind.	990	996
Toshiba	1160	1180
Toyota	2530	2540
Yamaichi Sec	1740	1800
Nikkei 225 : [illegible]		
Previous : [illegible]		
New Index : [illegible]		
Previous : [illegible]		
Toronto		
Abitibi Price	13⅝	13⅝
Agnico Eagle	10⅛	10⅛
Air Canada	11⅛	11⅛
Alberta Energy	14⅝	14⅝
Am Barrick Res	29⅛	29⅝
BCE	39⅛	39⅛
BCED	1.30	1.30
Bk Nova Scotia	15⅜	15⅝
BC Gas	43¼	43¼
BC Phone	18⅛	18⅜
BP Canada	20	20⅛
Bramalea	21⅝	21⅝
Brunswick	11⅝	11⅝
CAE	8⅝	8⅝
Campeau	5⅛	5⅛
CIBC	N.Q.	—
Canadian Pacific	25⅛	25
Can Packers	16⅜	17⅛
Can Tire A	23⅝	23⅝
Cantor	26⅝	26⅝
Cara	18⅝	18
CCL Ind B	7⅞	7⅜
Cineplex	8	7⅛
Cominco	26⅜	26⅜
Conwest Expl A	14⅛	N.Q.
Corona A	11	11⅛
Denison Mln B	4.40	4.40
Dickenson Mln A	4.60	4⅝
Dofasco	22⅞	22⅞
Dylex A	N.Q.	—
Echo Bay Mines	23⅞	23⅞
Equity Silver A	4.10	4.05
FCA Intl	10⅛	10⅛
Fed Ind A	15	15
Fletcher Chall A	15⅛	15⅜
FPI	6⅛	6⅛
GoldCorp	5⅛	5⅞
Grafton Group	N.Q.	—
Gulf Cda Res	15⅛	14⅝
Hees Intl	29⅛	29⅝
Hemlo Gld Mines	19⅛	19⅞
Hollinger	11	11⅛
Horsham	12	11⅛
Hudson Bay	8⅝	8⅞
Imasco	36⅝	36⅜
Inco	38⅜	38⅛
Interhome	44⅛	44⅛
Jannock	19⅝	19⅝
Labatt	24⅛	24⅝
Loblaw Co	15⅛	15½
Mackenzie	8⅛	8⅛
Magna Intl A	7⅛	7⅛
Maritime	18¼	18
Mark Res	10⅛	10⅛
MacLean Hunt X	18⅛	17⅜
Molson A	30	30
Noma Ind A	13⅝	11⅝
Noranda	N.Q.	—
Noranda Forest	13⅜	12⅞
Norcen Energy	25⅛	25⅛
Nova Corp	7⅛	7⅝
Oshawa	21⅝	20
Pagurin A	8⅛	8⅛
Placer Dome	22⅞	22⅞
Poco Petroleum	8	8⅛
PWA Corp	14⅜	14⅜
Quebec Sturgeon	1.30	1.36
Rayrock	10⅞	10⅞
Renaissance	24	24
Rogers B	102⅝	105
Rothmans	68⅞	68⅞
Royal Bank Can	29⅞	29⅞
Royal TrustCo	14⅝	14⅝
Sceptre Res	4.70	4.85
Scott's Hosp	14⅞	15
Seagram	101⅞	101⅞
Sears Can	12⅝	11⅞
Shell Can	41⅛	41⅛
Sherritt Gordon	9⅝	9⅝
SHL Systemhse	11	11
Southam	33⅝	31⅝
Spar Aerospace	19⅝	19⅝
Stelco A	20⅜	20⅜
Teck B	28	27⅝
Thomson News	16⅛	16
Toronto Domn	N.Q.	22⅛
Torstar B	34⅛	34⅛
Transalta Util	14	13⅝
TransCda Pipe	17	17
Trilon Finl A	20	20⅝
Trimac	6⅛	6⅛
Trizec A	25	25⅝
Turbo Resources	.09	.08
Unicorp A	4⅛	4.35
Woodward's Ltd	2.18	2.20
TSE 300 Index : [illegible]		
Previous : [illegible]		
Zurich		
Adia Intl	1840	1905
Alusuisse	1348	1380
Bank Leu	3275	3275
Brown Boveri	5300	5300
Ciba Geigy	3400	3450
CS Holding	2325	2380
Elektrow	3075	3080
Fischer	1920	1900
Interdiscount	4275	4300
Jacobs Suchard	6790	6900
Jelmoli	2200	2230
Landis Gyr	1500	1520
Moevenpick	5250	5325
Nestle	[illegible]	[illegible]
Oerlikon-B	845	850
Pargesa Hld	1440	1475
Roche Holding B	[illegible]	[illegible]
Sandoz	[illegible]	[illegible]
Schindler	[illegible]	[illegible]
Sulzer	[illegible]	[illegible]
Surveillance	[illegible]	[illegible]
Swissair	[illegible]	[illegible]
SBC	[illegible]	[illegible]
Swiss Reinsur	[illegible]	[illegible]
Swiss Volksbank	[illegible]	[illegible]
Union Bank	[illegible]	[illegible]
Winterthur	[illegible]	[illegible]
Zurich Ins	[illegible]	[illegible]
SBS Index : [illegible]		
Previous : [illegible]		

Investments In Malaysia Climb 76%

Reuters

KUALA LUMPUR — Approved foreign investments in Malaysia rose 75.6 percent, to a record 8.57 billion ringgit ($3.18 billion) in 1989, from 4.88 billion ringgit in 1988, the trade and industry minister, Rafidah Aziz, said Tuesday.

Japan was the top investor, accounting for 2.68 billion ringgit, followed by Taiwan at 2.12 billion ringgit and Singapore at 911 million ringgit, Mr. Rafidah said. His comments accompanied release of the Malaysian Industrial Development Authority's 1989 report on manufacturing.

Foreign investments were concentrated in electrical and electronic products, with 2.72 billion ringgit, and chemicals and chemical products, with 994 million, the authority's figures showed.

Approved local investments fell to 3.54 billion ringgit last year from 4.22 billion in 1988, bringing an overall 33.1 percent rise in total approved investments, to 12.1 billion in 1989, the report showed. Foreign investments are calculated as total foreign equity and loans attributed to overseas parties.

Mr. Rafidah said domestic investments appeared low, as Malaysians were seeking joint ventures with foreign concerns.

■ Trade Surplus Slides

Malaysia's trade surplus in the first 10 months of last year fell 40.9 percent, but Mr. Rafidah said this was largely because of capital goods imports that would eventually boost exports, Reuters reported.

The surplus was 5.93 billion ringgit, down from 10.02 billion ringgit in the like period of 1988. Imports for the period were 49.55 billion ringgit, up 40.6 percent from the 1988 span.

Exports grew by 22.5 percent, to 55.48 billion ringgit.

'The Great Acquirer' Is Back

Holmes à Court Returns With His Unlisted Company

Reuters

SYDNEY — Robert Holmes à Court, the Australian investor who lost a fortune in the world stock market collapse of 1987, is quietly making a comeback.

His re-emergence on the Australian investment scene comes as Alan Bond's industrial empire is struggling, and many stock analysts believe that Mr. Holmes à Court will try to pick up assets from his rival. Just two years ago, it was Mr. Bond who relieved Mr. Holmes à Court of several choice properties.

This time, Mr. Holmes à Court is eschewing the public arena in which he built Bell Group Ltd. into one of the continent's most powerful companies and became Australia's wealthiest citizen.

Following the lead of Kerry Packer, his successor as the richest Australian, the South African-born entrepreneur now prefers to operate with the anonymity afforded by his private company, Heytesbury Holdings Ltd.

He has gone back to his rural roots, buying Australasia's largest cattle ranch business last May to add to his cattle farms in Queensland and Western Australia.

In the past few months, he has shown that his past penchant for stock market raids did not die with the 1987 collapse, in which he lost an estimated one billion Australian dollars ($792.0 million at the current exchange rate).

Many analysts believe Mr. Bond's crumbling empire will be one of Mr. Holmes à Court's next targets.

The soft-spoken Mr. Holmes à Court, the antithesis of brash, publicity-seeking Mr. Bond, started his corporate career by buying and turning around a failing woollen mill in Western Australia.

His purchase of Bell Brothers, an earth-moving and transport company, provided the lawyer-turned-businessman with a vehicle for 15 years of growth around the globe.

He hardly seemed to make a mistake in the rising stock market of the mid-1980s, with only Broken Hill Pty., the biggest Australian company, proving his match in repulsing four takeover bids from the investor known as "The Great Acquirer."

Mr. Holmes à Court was estimated to be worth 1.4 billion Australian dollars when the October 1987 collapse caught him off balance.

With big debts and expensive stakes in companies ranging from Texaco Inc. of the United States, Standard Chartered PLC of Britain and BHP, Mr. Holmes à Court was forced to sell many of his assets.

To many, Mr. Holmes à Court appeared a broken man. For nearly a year he slipped out of sight, adding to his art collection and tending his racehorses.

But now there are increasing indications he is on the verge of making a large corporate move, analysts say.

His personal wealth, according to Australian Business magazine, rose 66 percent last year, to 500 million dollars, a jump the magazine labeled "a tribute to his ability to salvage a personal fortune from a public debacle."

Brokers said he was a big player in BHP stock again and he showed classic Mr. Holmes à Court strategy by recently buying stakes in British companies, Dalgety PLC and Christies International PLC, driving prices higher, and then selling at a profit.

But most interest surrounds his renewed fascination with Australia's media, and Mr. Bond's media assets in particular.

Alan Bond's Battles in Court Tarnish Breweries' Outlook

Compiled by Our Staff From Dispatches

SYDNEY — Alan Bond could fight creditors for control of his conglomerate for months, lawyers said Tuesday, but the longer the dispute drags on, the worse the outlook for his prized brewing assets.

Adding to Mr. Bond's troubles on Tuesday, the Queensland state government lifted its stake in the Greenvale nickel project to 28 percent from 12.5 percent, preventing the project from going into receivership. The rest of the property is owned by MEQ Nickel Pty., a subsidiary of Mr. Bond's family company, Dallhold Investments Pty, which is in receivership.

In a Victoria state court case, Mr. Bond is trying to overturn the appointment of receivers, who have managed his Australian breweries for two weeks. A decision is not expected for several days, and if Mr. Bond fails he is expected to appeal.

But even if he wins his case against the banks that sought the receivers, he seems set for a court battle with another group of creditors. The trustee for U.S. investors holding $510 million of notes has given Bond 21 days to pay the face value plus a missed interest payment. The trustee could seek liquidation of the breweries, but Mr. Bond has already begun court actions to block such a move.

But the breweries, one of Mr. Bond's most valuable assets, are losing market share as managers devote time to the battle.

Separately, in Los Angeles, Jeff H. Reynolds said he has withdrawn from all negotiations with Bond Corp. because he could not secure financing for a takeover.

The investor earlier said he secured funding for an equity investment of about $195 million for 51 percent of Bond Corp. and was close to securing about $3.13 billion to refinance much of Bond's debt. *(AFP, Reuters)*

Elders Poised to Take Full Control of Venture That Owns British Pubs

Compiled by Our Staff From Dispatches

MELBOURNE — Elders IXL Ltd. said Tuesday that it was poised to take full control of a joint venture that owns 5,000 British pubs, in a deal valued at up to £262 million ($435 million).

Elders and its joint venture partner, the real estate company Hudson Conway Ltd., announced that Elders had taken a purchase option over the half share it does not already own in Courage Pub Co. Holdings Ltd.

Elders said in a statement to the Australian Stock Exchange that the option could take effect at any time up to Dec. 6 of this year.

The price depends on the actual exercise date but will be between £250 million and £262 million.

Pubco was formed in June 1988 when Elders's British brewing arm, Courage, completed a sale-and-leaseback transaction of about 5,000 pubs to separate the ownership of the real estate from its brewing operations.

The British brewing industry is currently undergoing a restructuring process, after the monopolies commission severely criticized the commercial practices of Britain's six leading brewers.

They have been ordered to shed half the pubs they control, above a ceiling of 2,000 each, by November 1992.

Elders said in a statement the agreement was subject to necessary shareholder approvals.

Following the news, there was increased speculation of an imminent breweries-for-pubs deal between Elders and Grand Metropolitan PLC, the British food and beverages concern, analysts said.

A Grand Met spokesman said the company hoped to decide on its brewing interests by the spring. "We've made no decisions and we're not fuelling speculation," he said.

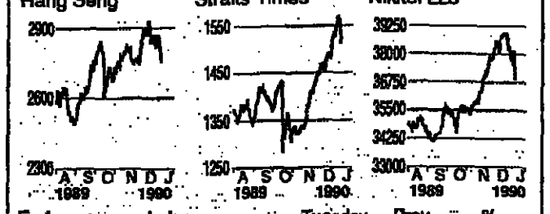
Market talk was that Grand Met might exchange its breweries for pubs owned by Elders's Courage Group.

Elders added the option would enable it to maximize any opportunities arising from the changes.

Hudson Conway will be paid with preference capital in the Courage Group, Elders said, and £130 million of the total will be redeemable by Hudson Conway at any time from six months after it has been issued.

The balance will be redeemable from 12 months after issue and will also carry a one-time right to conversion into Elders common stock. That right will be exercisable only on June 6, 1993, at a price of 4.54 Australian dollars ($3.59) per share, subject to normal adjustments. *(AFP, Reuters)*

Investor's Asia



Exchange	Index	Tuesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	2751.79	2786.69	-1.25
Singapore	Straits Times	1512.50	1525.54	-0.85
Sydney	All Ordinaries	1675.40	1681.70	-0.37
Tokyo	Nikkei 225	36850.36	38170.13	-3.46
Kuala Lumpur	Composite	567.34	571.99	-0.81
Bangkok	Book Club	768.14	782.13	-1.79
Seoul	Composite Stock	883.43	883.04	+0.04
Taipei	Weighted Price	10904.90	10867.64	+0.34
Manila	Composite	1056.12	1076.51	-1.89
New Zealand	Barclays	1978.25	1987.51	-0.47
Bombay	National Index	414.71	419.84	-1.22

Sources: Datastream, Reuters, AFP International Herald Tribune

Singapore Arranging More Loans

Reuters

SINGAPORE — Japanese bankers are looking more frequently to Singapore as an important regional center to arrange loans for Asian clients, a business that until now has been largely carried out in Hong Kong.

"Our conservative estimate is a 10 percent rise over new loan arrangements we signed last year," a spokesman of Yasuda Trust & Banking Co. said. Yasuda's Singapore branch in 1989 signed loans valued at up to $50 million.

"The Hong Kong market is still large, but we also take into account conditions after 1997," he said.

Hong Kong's financial community is worried about political instability after 1997, when the colony returns to Chinese sovereignty.

"We expect an increase in loans of up to 30 to 40 percent this year," said a manager of a Japanese bank, who did not want to be identified. "Singapore is close to a fast growing Southeast Asia."

Singapore also offers a good geographical location, said a spokesman for Fuji Bank Ltd. The bank expects it will have more syndicated loan arrangements in Singapore in 1990 than last year, he said, but declined to elaborate.

Fuji's Singapore branch last year signed three loans totaling $100 million with firms in Indonesia, India and Thailand.

Other Japanese bankers said they expected a substantial rise in lending operations by the 22 Japanese banks based in Singapore as business flows into the country.

Fuji, Yasuda and six more Japanese banks on Monday signed an agreement to provide a 10-year, $100 million syndicated loan to an Indian engineering company, Bharat Heavy Electricals Ltd.

CAAC to Buy 19 Planes

The Associated Press

BEIJING — China's state-run airlines, CAAC, will buy 19 large passenger jets this year to add to its fleet of more than 170 planes, according to the director of the Civil Aviation Administration of China, Hu Yizhou.

Mr. Hu said CAAC would purchase Boeing 747s, Boeing 757s, McDonnell Douglas 82s and Chinese-made Yun-7s, the official China Daily reported Tuesday. In 1989, CAAC bought 29 planes, including a Boeing 747-400, a Boeing 767, two Boeing 757-200s, six MD-82s, three Airbus 300-600s and 11 Yun-7s. Six old planes were taken out of service.

The McDonnell Douglas 82 aircraft are now being assembled at a joint venture factory in Shanghai. The newspaper quoted Zou Jiahua, head of the State Planning Commission, as saying that in the future China must develop its own trunk-line planes.

SIA Orders Aircraft Worth $8.6 Billion

Reuters

SINGAPORE — Singapore Airlines Ltd. said Tuesday it had placed orders to buy 30 Boeing B747-400 and 20 McDonnell Douglas Corp. planes worth a total $8.6 billion.

The cost includes the value of spares and spare engines for the 50 planes, SIA said.

The order covers 15 firm and 15 option aircraft from Boeing Co. and five firm and 15 option MD-11s.

Deliveries are scheduled for the period 1994 to 1999, the statement said.

"The aircraft are intended for growth as well as for replacement of SIA's older generation B-747s," the airline said. "The new order is congruent with the continuing process of rejuvenation that will preserve the modernity of SIA's aircraft."

SIA has a firm, $3.3 billion order for 14 Boeing 747-400s for delivery up to 1992 and is yet to exercise options to purchase six more for delivery in 1993 and 1994.

An SIA spokesman said the new order excludes options for the purchase of six Boeing 747-400s placed in 1986. The 30 Boeing 747-400s will cost $5.5 billion and the 20 MD-11 $3.1 billion, the statement said.

SIA, which claims to have the world's youngest fleet, with an average age of four years and seven months, said the airline intends to increase passenger capacity by an average 8 percent a year in the coming decade. The order — the biggest placed by the airline — will provide the necessary capacity to fulfill SIA's objective of an annual 8 percent growth, it said.

Seoul to Lower Bank Rates

Reuters

SEOUL — South Korea plans to lower bank interest rates this year as part of efforts to improve the international competitiveness of local companies, Finance Minister Lee Kyu Sung said in a report to President Roh Tae Woo.

Mr. Lee said lower interest rates are also needed to narrow differences with international rates before opening the country's capital markets to foreign investments.

South Korean bank prime rates stand at 10 percent, while the six-month London interbank offered rate is 8.25 percent. Mr. Lee did not elaborate on the planned steps.

Mr. Lee also confirmed the central bank would stop fixing the won's exchange rate daily in the first move to gradually allow market forces to decide the rate.

The government will loosen curbs on foreign exchange holdings and allow big trading companies and institutional investors to hold some hard currency though the ceiling has not been decided.

The central bank on Tuesday quoted the won mid-rate at 683 to the dollar, but dealers said the rate would be around 700 when the Bank of Korea stopped its daily fixing.

Baring Will Close H.K. Division

Reuters

HONG KONG — Baring Brothers & Co. will close its Hong Kong foreign exchange division, Richard Kirby, branch director of the Hong Kong office, said Tuesday.

Foreign exchange dealers said the bank had been driven out by the colony's "brain drain" of emigrating professionals and surging costs. Baring Brothers' foreign exchange dealers were informed on Monday that operations would cease. Foreign exchange and lending activities will be transferred to London by the end of February, Mr. Kirby said.

Last summer, Kleinwort Benson Co. closed its Hong Kong foreign exchange operations.

AMEX

Tuesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

A 1
B 2
C 3
D-E 4
F-G 5
H 6
I-J-K-L 7
M-N 8
O-P-Q-R 9
S 10
T 11
U-V 12
W-X-Y-Z 13

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a — dividend also extra(s). b — annual rate of dividend plus stock dividend. c — liquidating dividend. cld — called. d — new yearly low. e — dividend declared or paid in preceding 12 months. g — dividend in Canadian funds, subject to 15% non-residence tax. i — dividend declared after split-up or stock dividend. j — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k — dividend declared or paid this year, an accumulative issue with dividends in arrears. n — new issue in the past 52 weeks. The high-low range begins with the start of trading. nd — next day delivery. P/E — price-earnings ratio. r — dividend declared or paid in preceding 12 months, plus stock dividend. s — stock split. Dividend begins with date of split. sls — sales. t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u — new yearly high. v — trading halted. vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd — when distributed. wi — when issued. ww — with warrants. x — ex-dividend or ex-rights. xdis — ex-distribution. xw — without warrants. y — ex-dividend and sales in full. yld — yield. z — sales in full.

SPORTS

49ers' System: High Demands, High Rewards

By Thomas George
New York Times Service

SAN FRANCISCO — If it seems the San Francisco 49ers have had the best of everything in the 1980s — the best schemes, the best players and the best coaching — it is because they probably have.

The team that will play for its fourth Super Bowl title on Jan. 28 against the Denver Broncos coalesces its methods and style into what is called the 49ers' system, which starts with a golden standard of excellence, a standard set so high that the improbable becomes the norm.

This franchise has an inner confidence and inner competitiveness that it views as more ferocious than any opponent.

The 49ers' system attempts to leave no stone unturned, from teaching players how to protect the football properly when running with it to how to find success in the classroom and in their personal lives.

The system does not work for everyone, but its ingredients appear to be a blueprint for success for any sports franchise.

"It is really difficult here to split the system from the players when assessing this organization's success," said Terrence Flagler, a reserve running back who has struggled with accepting little playing time behind star Roger Craig.

"A lot is kept under the rug, and there is politics and some favoritism here like in anything, everywhere else. I've had guys on this team come up and tell me I'm a million-dollar player sitting on the bench, and I feel that way, that I have not been given a fair chance to perform."

"One thing for sure, though, is that the players overall are treated very well here. But sometimes the system overshadows the players because the system is so effective, and that can be a touchy subject around the locker room. This isn't like basketball where you have only 12 or so guys to keep happy and in tune. But most guys around here and in this league will tell you this is a great system and a very nice place to be and one where they would do most anything to play their football in."

Execution is the essence of football, the 49ers believe, and the best way to achieve it is through repetition. It was Coach Bill Walsh's way in building the 49ers into a winner in the '80s before retiring last January after winning his third Super Bowl.

Walsh is most responsible for instituting the 49ers' system, which has been strengthened and reinforced by the leadership of players like safety Ronnie Lott and linebacker Keena Turner.

And the new coach, George Seifert, who has described himself as "the keeper of the torch," has not wavered from that approach.

"I haven't played anywhere else in the National Football League, so maybe I'm a little premature," Craig said. "But I can't imagine a place that practices every play, every detail, like we do. We do one thing over and over so much in practice, beginning in training camp, to the point that you can do it in your sleep. There is nothing left to chance."

Quarterback Joe Montana, since his arrival from Notre Dame University in 1979, has been the orchestrator on offense, and his uncanny ability to make the proper decisions at proper times and finish each play so fluidly and efficiently cannot be overstated.

He has immeasurable responsibility. More often, he is on the mark.

And with a wide-ranging arsenal of weapons including Craig, receivers Jerry Rice and John Taylor, fullback Tom Rathman, tight end Brent Jones, a solid offensive line and a bushel of backups in each role who rival many teams' starters, the 49ers' offense has consistently ranked among the league's most productive.

Mike Holmgren assumed the role of offensive coordinator when Walsh departed, and a key development under Holmgren has been the emergence of Rathman as a pass catcher and Taylor as a primary receiver.

Rathman led all NFL backs in catches this season with 73, and Taylor set a league record with two catches of 90-plus yards for touchdowns in one game.

The 49ers' defense is overshadowed by the offense, but it features premier talent at several positions and a collective group that specializes in containment.

"We're sort of blue-collar guys," said Pierce Holt, a defensive end. "But just because we don't get the notoriety that the offense gets doesn't mean we don't have as much pride."

On both sides of the ball, this element is always evident: The 49ers use their players with maximum efficiency by capitalizing on their skills. The players on the field always seem to be placed in positions where what they do best is exactly what they are asked to do.

Off the field, the 49ers were NFL pacesetters in recognizing the need for a staff-player personnel consultant. They hired Harry Edwards, the noted sociologist, four years ago, and have given him an office in the locker room.

Edwards encourages and advises those players who have not earned their college degrees to do so, and the 49ers have programs established at three San Francisco-area universities. He also helps organize the team's community outreach programs and various speaking programs for players.

"We try to stay on top of issues that come up in the locker room and deal with football- and nonfootball-related issues on an intelligent and informative level," Edwards said.

Edwards noted that the service is needed not just for younger players who become 49ers but for veterans, too, who might arrive after spending most of their careers in one city with one team. The quicker the player can get adjusted and is in sync, the more quickly he can produce, Edwards said.

He emphasized that no first-year player is hazed, as are those with several other NFL teams, where the ritual is part of acceptance.

Even Jim Burt, Edwards said, who leveled Montana in a 1986 playoff game while a New York Giant with "one of the most vicious hits, and a legal hit, ever seen in this league," was instantly treated as a 49er from his first day on the premises.

"We have problems, the same problems that every other professional football team has," Edwards said. "But we make an effort to manage those problems as efficiently as possible. We have those guys that come in here with their Mr. T starter kit, with the gold chains and flashy styles, but he looks around the locker room and sees that nobody else has that on."

"We want everybody to be themselves, but we also want them to exhibit their class. It permeates onto the football field. Here, fourth-round draft choices begin to play like third-rounders, third-rounders play like second-rounders, second-rounders like first-rounders."

"You know, I'm the last one to hype anything. But there is a sincerity here that runs deep. It's not the only way to do things and it may not be the best way, but it's our way. And we find that when this team gets in a hole, like last year when we were 6-5 and being buried by everyone, we can call on that backbone of the system. It sees us through."

There are dissidents. Tim McKyer, a cornerback, and Charles Haley, a linebacker, both said the system had prevented them from reaching their full potential. But Jamie Williams, a tight end, is among several other 49ers who offered few, if any, complaints.

Williams spoke of his hair, which he wears in dreadlocks.

"I got drafted by the Giants in '83 and they were concerned about me outwardly more than me the man," Williams said.

"The coaches didn't ask me to change my hair, but they made a lot of commotion and jokes about it. Here they smile and accept me the way I am. George only asked that I tie it in the back when I wear my helmet. He also told me, 'Hey, if I could do that, I would.' I knew he was kidding, but it was a nice compliment of acceptance."

The 49ers' system begins and ends with Eddie DeBartolo, the team's owner since 1977.

DeBartolo authorizes the league's highest player payroll, approximately $19 million.

He will spare little expense, whether it is a 747 chartered jet, the manner in which the team always travels, or the 49ers' sparkling, $11 million training complex, built in 1988 on 11 acres in Santa Clara, California.

The complex features a players' lounge, a hydrotherapy indoor pool, racquetball courts, a 120-seat auditorium-conference room and three practice fields — two grass, one artificial turf.

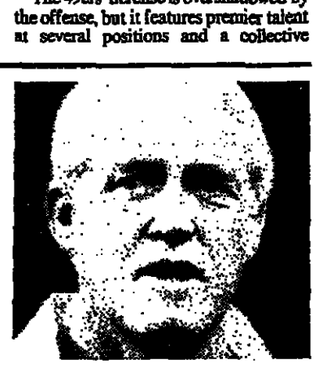
"As I looked from the outside in," said linebacker Matt Millen, the former Los Angeles Raider who signed as a free agent this season, "Eddie DeBartolo always struck me as a guy who was going to get the best possible situation out there for his team. A lot of teams end a year and begin a new one talking about how this year is their year, but they don't have the commitment from the top to get it done."

"With Eddie, the proof is in his checkbook. Need a new facility? You got it. When a player gets injured? Here's a replacement. They didn't have to sign me and Jim Burt when injuries hit here, but here we are."

Before Christmas, DeBartolo asked each player to give him the name and address of his wife or girlfriend. He sent each a $500 gift certificate at Neiman-Marcus at a cost to him of nearly $30,000, and he also threw a Christmas party for the players' children.

"You can't beat that," Flagler said. "That's class. That's the 49ers."

Execution is the essence of football, the 49ers believe, and the best way to achieve it is through repetition. It was Coach Bill Walsh's way in building the 49ers into a winner in the '80s.



NBA Blocking Air-Magic Duel

The Associated Press

CHICAGO — The National Basketball Association is saying no to a proposed $1 million Air-Magic duel.

Gary Bettman, the NBA's general counsel, said a one-on-one contest between Michael "Air" Jordan of the Chicago Bulls and Magic Johnson of the Los Angeles Lakers would violate the collective-bargaining agreement with players.

The agreement restricts players to NBA events or to appearing without fee in charity exhibition games.

Ross Levinsohn, a New York-based spokesman for Jordan, said promoters had planned to broadcast the contest on pay television.

Michigan Relives 1989 in Victory Over Illinois

The Associated Press

No. 6 Michigan ended a 28-game home winning streak of seventh-ranked Illinois and snapped its own inability to win in Champaign, Illinois, by edging the Illini, 74-70.

The Wolverines' victory Monday night was the first time Michigan had won in Champaign since 1979. "Finally, this was next time," Michigan's coach, Steve Fisher, said.

Last March in the National Collegiate Athletic Association tournament semifinals, Michigan beat Illinois, 83-81, on a last-second basket by Sean Higgins. This time, Higgins scored 16 points and Terry Mills had 18.

"If you could have been in the locker room after the game, it was great, like winning the national championship again," Higgins said.

Michigan (12-2) led throughout but couldn't shake the Illini. Kendall Gill had a chance to tie it for Illinois with 33 seconds left but made just one of two foul shots, and Michigan kept a 71-70 lead.

The Wolverines preserved the victory with three foul shots. Illinois fell to 12-2.

Connecticut 70, No. 5 Syracuse 59: Connecticut took the lead in the opening minute and led the entire game in Hartford, Connecticut. Chris Smith and Tate George each scored 17 points as the Huskies (14-3) won their fourth straight Big East Conference game.

Syracuse (12-2) fell behind, 30-14, late in the first half and trailed, 43-31, early in the second half. The Orangemen got within 61-57 on Derrick Coleman's basket with 2:19 remaining, but the Huskies made seven of nine free throws in the final 1:09 to preserve the victory.

No. 9 UNLV 84, Fresno State 75: Larry Johnson scored 28 points and the University of Nevada-Las Vegas (11-3) opened a 22-12 lead in the first eight minutes in Fresno, California.

No. 17 La Salle 89, Canisius 77: Lionel Simmons scored 27 points and La Salle (11-1) broke away in the second half in Philadelphia.

No. 20 Xavier 110, District of Columbia 52: Xavier (12-1) scored the game's first 12 points in Cincinnati and went on to the most lopsided victory in its history.

COLLEGE BASKETBALL

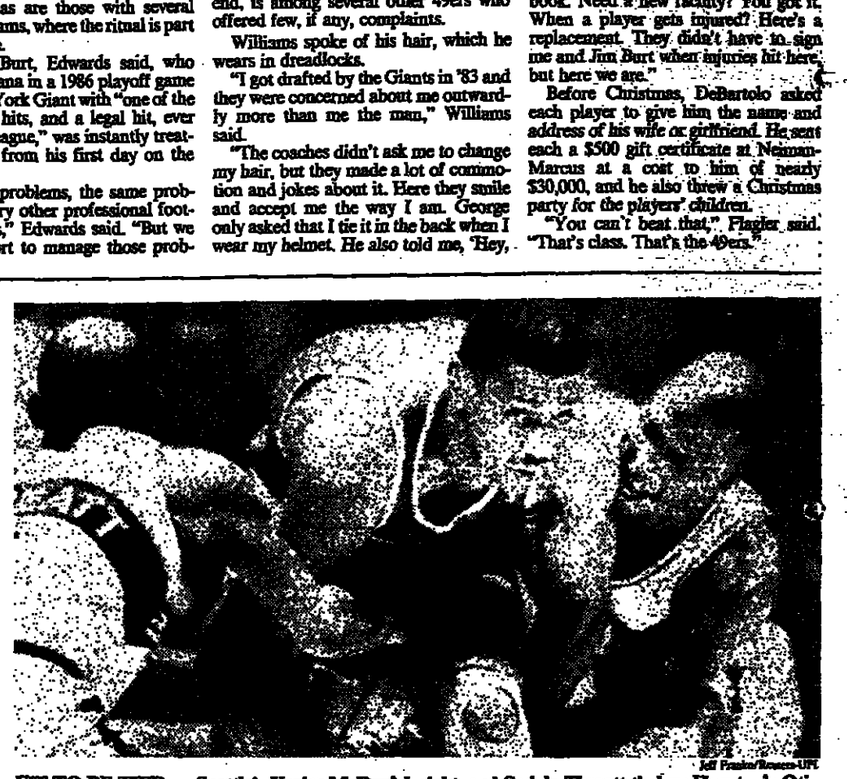
■ 2 Pro Prospects Sit Down

Dwayne Schintzius of Florida and Duane Causwell of Temple, considered top pro prospects among college basketball's big men this season, have been sidelined.

The 7-foot-2 (2.19-meter) Schintzius, Florida's leading scorer and rebounder, was suspended indefinitely from the team after a weekend incident at a fraternity house.

Witnesses said that Schintzius, angered by a comment from a girl, left a party early Sunday, ripped a mirror off a vehicle parked outside the fraternity house and "allegedly hurled the mirror up at the second floor," police reported. He was charged with criminal mischief, a misdemeanor, and throwing a deadly missile at an occupied structure, a felony.

Causwell, a 7-foot junior, was dismissed from school on Sunday because of his poor academic record, and on Monday his appeal for reinstatement was turned down by Temple's president.



Jeff Fusion/Reuters-UPI

FIT TO BE TIED — Seattle's Xavier McDaniel, right, and Sedale Threatt tied up Houston's Otis Thorpe, and the Supersonics wrapped up a 105-101 National Basketball Association victory Monday.

BOOKS

PICTURING WILL

By Ann Beattie. 230 pages. $18.95. Random House, 201 East 50th Street, New York, N. Y. 10022.

Reviewed by
Christopher Lehmann-Haupt

AT the beginning, we picture Will through the eyes of his mother, Jody, an anxious woman who has been abandoned by her husband, Wayne, and has taken up photography to keep herself financially afloat.

Without Will, Jody "would have perished," Ann Beattie writes near the outset of her dazzling but disturbing new novel. "Only a baby — someone who truly needed her care — could have made her rise to the occasion." At the end of "Picturing Will" — Beattie's fourth novel and eighth work of fiction (the others having been story collections) — Will is in his 20s with a child of his own.

Between these two pictures of Will, Beattie takes us on a strange and disquieting journey. It is like a voyage around the border of a photorealistic tapestry in which every brilliant detail interlocks with its neighbor but never permits the viewer to gain a perspective on the whole.

The details do add up to a plot of sorts. On the way home from a Halloween party, Jody takes a photograph that her lover, Mel Anthis — a novelist who works for a New York City art gallery — uses to earn Jody a show, which gives Mel the ammunition he has been seeking to persuade Jody to move to New York.

While Jody prepares for her show, Mel obligingly takes Will, now 5½, to Florida for his annual visit with his father, Wayne. They are joined by Mel's boss, who in turn is accompanied by a boy named Spencer, the genius son of a former client.

While these four are driving to Florida, the focus shifts to Will's father, Wayne, who is now remarried but spends most of his spare time prowling for seductive women.

But the minutiae of Beattie's peculiarly aimless story so outshine their sum that their effect on the reader is similar to what Florida evenings do to Wayne's third wife, Corky, who felt "that living in a place where the sunsets were so intense, she didn't have a future." Corky felt that "the sun had a future, but she didn't, and that hers was a life of little consequence."

The details of "Picturing Will" are exhausting because they intensify so rapidly and powerfully and then sink from sight without apparent consequence. You get the feeling that Beattie is dazzling her readers merely for the sake of dazzle. Most disturbing of all, the details appear to have no consequence for the characters themselves.

The text is interrupted four times by lengthy italicized passages whose sensitively articulated gist is the fearfulness and precariousness of raising a child. These turn out to be excerpts from a novel by Mel, who, after marrying Jody, assumed responsibility for raising Will.

Yet these passages fail to acknowledge the two most disturbing things that happen to Will in the novel — first, the seduction in his presence of Spencer the boy genius, by the gallery owner; and second, Will's experience of seeing his father arrested for inadvertent involvement with drug trafficking. Again the details of these incidents are refulgent and even luminously recorded on Will's consciousness. But he survives untouched, apparently.

This reader was left by "Picturing Will" feeling somewhat like Corky during those Florida nightfalls — that life might be too overwhelming to have meaning and that feelings must inevitably be steamrollered by experience.

Christopher Lehmann-Haupt is on the staff of The New York Times.

BEST SELLERS

The New York Times

This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

FICTION

This Week		Last Wk	Weeks on List
1	THE DARK HALF, by Stephen King	1	11
2	DADDY, by Danielle Steel	2	9
3	CLEAR AND PRESENT DANGER, by Tom Clancy	3	20
4	CARIBBEAN, by James A. Michener	4	9
5	FOUCAULT'S PENDULUM, by Umberto Eco	5	13
6	THE POLAR EXPRESS, by Chris Van Allsburg	7	25
7	STRAIGHT, by Dick Francis	9	8
8	TALES FROM MARGARITAVILLE, by Jimmy Buffet	6	13
9	THE ELEVENTH HOUR, by Graeme Base	10	7
10	JIMMY STEWART AND HIS POEMS, by Jimmy Stewart	8	17
11	THE PILLARS OF THE EARTH, by Ken Follett	12	18
12	SPY LINE, by Len Deighton	15	2
13	SWAN LAKE, by Mark Helprin	13	7
14	OLDEST CONFEDERATE WIDOW TELLS ALL, by Allan Gurganus		15
15	HARMFUL INTENT, by Robin Cook		1

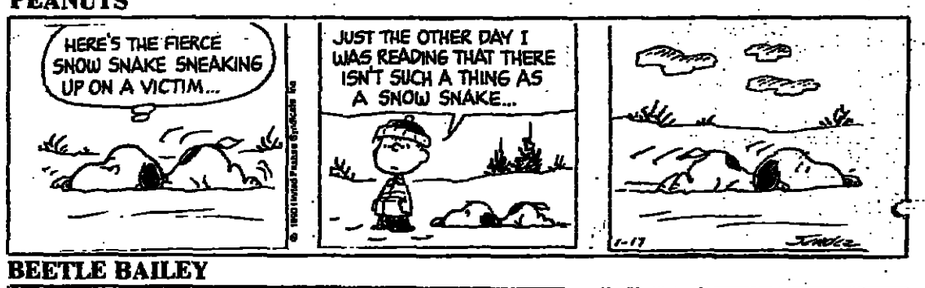
NONFICTION

1	IT WAS ON FIRE WHEN I LAY DOWN ON IT, by Robert Fulghum	1	17
2	ALL I REALLY NEED TO KNOW I LEARNED IN KINDERGARTEN, by Robert Fulghum	2	63
3	LIAR'S POKER, by Michael Lewis	7	10
4	MY TURN, by Nancy Reagan with William Novak	4	11
5	ROSEANNE, by Roseanne Barr	3	14
6	A BRIEF HISTORY OF TIME, by Stephen W. Hawking	12	91
7	ALL MY BEST FRIENDS, by George Burns with David Fisher	6	8
8	DRIVE, by Larry Bird with Bob Ryan	8	10
9	EDUCATION OF A WANDERING MAN, by Louis L'Amour	5	11
10	CHRONICLE OF AMERICA, edited by Clifton Daniel	9	4
11	AMONG SCHOOLCHILDREN, by Tracy Kidder	13	20
12	THE TEMPTING OF AMERICA, by Robert H. Bork	11	5
13	WONDERFUL LIFE, by Stephen Jay Gould		6
14	CHILI DAWGS ALWAYS BARK AT NIGHT, by Lewis Grizzard	10	10
15	FROM BEIRUT TO JERUSALEM, by Thomas L. Friedman		16

ADVICE, HOW-TO AND MISCELLANEOUS

1	THE WAY THINGS WORK, by David Macaulay	1	27
2	THE WAY TO COOK, by Julia Child	3	8
3	THE GREAT WALDO SEARCH, by Martin Handford	4	5
4	THE FRUGAL GOURMET COOKS THREE ANCIENT CUISINES, by Jeff Smith	2	12
5	WEALTH WITHOUT RISK, by Charles J. Givens		48

PEANUTS



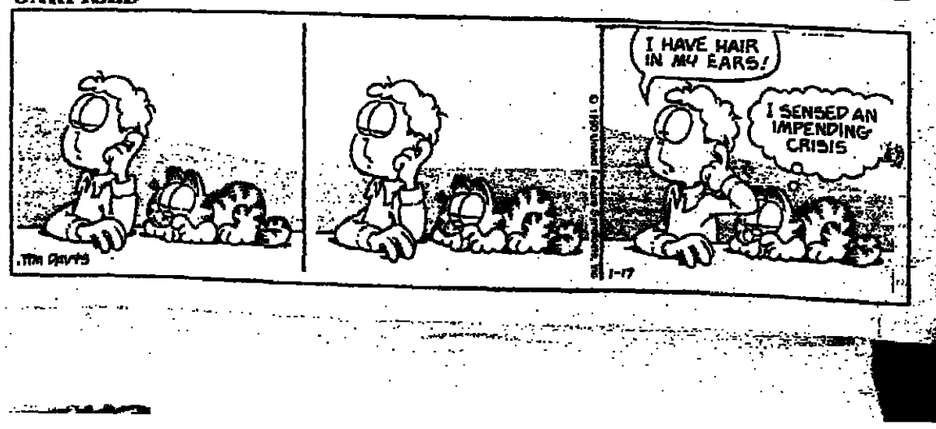
BEETLE BAILEY

ANDY CAPP

WIZARD of ID

REX MORGAN

GARFIELD



DOONESBURY

DENNIS THE MENACE

JUMBLE THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

PROAN

ORFUR

ULDDEC

CLAMBE

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: "_____"

(Answers tomorrow.)

Yesterday's Jumbles: ELOPE LABEL FILLET BUTANE
Answer: What you wouldn't expect a vegetarian to do when the food is unsatisfactory— BEEF ABOUT IT

BLONDIE

SPORTS

The Care and Feeding Of Soccer's Managers

International Herald Tribune

LONDON — The goalposts are shifting in soccer's hire-and-fire game. Up to now the cardinal rule was that a team boss lives by results. The team wins, he's a hero. The team flops, he's an ex-manager. Very basic, crude and clear. No matter what title the fellow uses — manager, coach or trainer — the buck stops with him.

However, the sackings of Ruud Krol by the Belgian league champion Mechelen and of Mario Zagalo by World Cup qualifyer United Arab Emirates, break the winner-takes-all ground rule.

Krol and Zagalo are not losers, or rather their teams are not. Under Krol, a Dutchman, Mechelen had every chance of repeating its Belgian title and had comfortably reached the quarterfinals of the European Champions' Cup.

Zagalo, wily Brazilian tactician that he is, had steered United Arab Emirates to the World Cup in Italy ahead of more fancied rivals like China and Saudi Arabia.

ROB HUGHES

The sackings of Ruud Krol by Belgium's Mechelen and of Mario Zagalo by United Arab Emirates break *the winner-takes-all* ground rule.

Since Krol and Zagalo were hired in the first place, and not replaced by "home" men, we can rule out xenophobia. Nor has anyone suggested they were caught with fingers in the till, or breaching local customs or disciplines.

They appear to be victims of the cult of managers who, apart from winning, need instant microphone appeal. They should hold the media in the palm of their hands, and touch their forelocks to the presidents they serve.

□

It would be wrong to say Krol lacks charisma — the excuse two English clubs recently gave for dismissing their managers.

Indeed, as a cavalier full-back, Krol personified the supreme Ajax Amsterdam and Dutch national teams of the 1970's. Could it be that Mechelen's president, John Cordier, was bewitched by Krol, the player, five months ago?

It was a rash and a bold appointment. An Israeli friend put Krol's name to Mechelen; the president met and hired him in a day.

Krol had no coaching credentials. Aged 40, he had stood back to unwind after 20 years performing in the Netherlands, Naples and Cannes.

Cordier, the businessman who dynamically raised KV Mechelen from provincial club to European honors, obviously thought experience could grow on Krol.

Half a year later, Cordier says: "We are convinced he does not fulfill our demands, although that does not mean he's a bad coach."

That's it? Well, adds Cordier, Krol lacks experience and doesn't know the Belgian game well enough.

Krol cannot be any less experienced or less knowledgeable now than half a season ago. But soccer presidents do not admit *they* make mistakes.

Cordier did what he thought best. With his team built around four Dutch players, managed until last summer by Dutchman Aad de Mos, Mr. President had tried to keep the ship going in the same direction.

Doubtless de Mos's defection to Belgium's glamor club, Royal Anderlecht, hurt somewhat. It cannot be fun watching de Mos's Anderlecht edge ahead in the league with a touch more style than de Mos's dour Mechelen achieved.

But rather than support his chosen replacement, Cordier capitulates. The president appears more diminished than the coach.

"The challenge doesn't scare us," Krol had said in July. "If you don't take risk in life you end up sitting in a chair watching life go by. All the president asks is that we keep Mechelen in the European competitions and the club's name in the forefront."

A recent 4-1 triumph over Swedish champion Malmö augured well for Mechelen. Yet Belgium's media, never letting up in its sniping at Krol, may have worn down Cordier's faith.

If the president has other reasons for his costly *volte-face*, he does not reveal them. Possibly he protects Krol, but in a media world where managers fall by their utterances, wealthy presidents must be expected to be plausible too.

□

Even federations communicate poorly. The United Arab Emirates waited two months for euphoria to simmer down before, without explanation, replacing Zagalo with Poland's Bernard Blant as the team's $240,000 a year coach.

Again, there must be more to it than meets the eye. Zagalo had twice won the World Cup as a player and once as manager of Brazil; Blant's World Cup experience as second-in-command of the 1986 Polish World Cup team amounted to first-round failure.

Blant may, for all we know, be the coming man at the peak of motivational powers; the UAE may think him more hungry for success.

Yet the nation rejects a talisman. Zagalo has always been industrious, crafty and lucky.

"Lucky" was one of his nicknames. "Formiguinha," the Little Ant, was another.

Zagalo earned both at the 1958 and 1962 World Cups when injuries to Brazil's first-choice left winger, Pepé, opened the door for him on teams that went all the way. Not gifted like Pepé, Zagalo gave the team intellect, efficiency, and effectiveness.

He shuttled back and forth with enormous lung power, attacking here, defending there, running everywhere.

Come 1970, Zagalo was again the opportunist when Brazil's team manager, João Saldanha, a gypsy of a man with left-wing persuasions, was axed in March before the World Cup in June.

Brazil's soccer federation did not sack Saldanha but "dissolved" the technical committee of which he was head. "The cowards!" Saldanha raged. "Am I an ice cube to be dissolved?"

Far from it. He was the hothead whose statements were unwelcome under a military regime. His Latin instincts built arguably the most flamboyant Brazilian team of all.

Zagalo gave it order, and sensibly left the flair unhindered. "He could not change my team," Saldanha still says. "It was too late for change."

But Zagalo's 1974 team sacrificed instinct for an attempt at european tactical play, which has failed other disciples since.

And Zagalo has come full circle. He who profited by Saldanha's sacking 20 years ago, is now relieved after building the base for UAE.

There is a wider circle that might trouble Brazil's current manager, Sebastao Lazaroni. Lazaroni was hired as a stopgap last year, but his players have performed with such consistency the federation dare not remove him.

Yet were I in Lazaroni's shoes, the sight of Zagalo unemployed would keep me awake at night. Lazaroni, after all, is a former amateur goalie with no World Cup medals. Zagalo, the lucky one, is waiting.

Rob Hughes is on the staff of the Sunday Times

Becker clowning with the glasses of a linesman after they were broken by an errant serve from his opponent, Paul Haarhius.

William West/Reuters

Becker, McEnroe, Edberg Are Masterful

The Associated Press

MELBOURNE — Boris Becker, in eager pursuit of a third straight Grand Slam title, is worried about peaking too soon in the Australian Open after flexing his muscles in a first-round showpiece.

Becker pummeled travel-weary Paul Haarhuis, 6-1, 6-2, 6-1, Tuesday night, just a few hours after the Dutchman arrived from New Zealand following visa difficulties.

AUSTRALIAN OPEN

Haarhuis, who upset John McEnroe in the second round of the U.S. Open last fall, never had a chance against the Becker onslaught.

Becker, the Wimbledon and U.S. Open champion, said the McEnroe upset was on his mind.

"It's the reason why I played very hard in the first round, which is not normal for me," he said. "In a Grand Slam, you can't play too well too early. You have to wait a little bit. There's a fine line between not playing too good and playing too bad."

While Becker looked sharp, Stefan Edberg and McEnroe issued warnings that they might be ready to stop him as he goes after Ivan Lendl's Australian title and No. 1 ranking.

Edberg, the 1985 and 1987 Australian Open champion, won his first-round match and proclaimed himself ready to challenge Lendl and Becker for the top spot in men's tennis.

"I see myself there," said the No. 3 Edberg. "I feel strongly that I can come back to challenge."

Edberg beat Swedish-born Johan Anderson, who lives in Australia, 7-6 (7-1), 6-3, 6-4.

McEnroe came away making a similar warning that Lendl and Becker were not the only players who could win the tournament. McEnroe was a bit louder and brasher, especially after breezing through the first round. Unfortunately for him, they won't all be against opponents like Frenchman Thierry Tulasne, ranked 114 spots lower than the No. 4 McEnroe.

McEnroe's deft touch at the net, sweeping hard serves and keen anticipation all were evident in his 6-2, 6-1, 6-1 victory over Tulasne.

"Tulasne had an off day," McEnroe said. "He didn't put too much on the ball. It was just like playing Ping Pong. If I could play that style every match, I'd bet my life savings every time."

No. 10 Steeb Falls to a Finn, Sabatini and Garrison Win

McEnroe, coming off an exhibition tournament victory over Edberg, thinks he has a chance of winning here, especially if the weather stays as cool.

"I still think I'm a longshot to win this tournament," he said.

In other first-round matches Tuesday, No. 5 Aaron Krickstein of the United States beat Italy's Gianluca Pozzi, 6-4, 6-7 (6-8), 6-4, 7-5; No. 8 Mats Wilander of Sweden beat Australian Richard Fromberg, 7-6 (7-5), 7-5, 7-5; and No. 9 Andres Gomez of Ecuador beat Australian Darren Cahill, a 1988 U.S. Open semifinalist, 4-6, 6-3, 1-6, 6-2, 6-3.

No. 10 Carl-Uwe Steeb, who beat Becker last week in Sydney, lost to Veli Paloheimo of Finland, 5-7, 6-2, 0-6, 6-2, 6-2.

No. 11 Andrei Chesnokov beat Australian Mark Kratzmann. No. 12 Yannick Noah of France struggled past Yugoslav Goran Prpic, and No. 15 Thomas Muster beat West German Pavel Vojtisek.

In women's play, victories were posted by No. 2 Gabriela Sabatini, No. 3 Zina Garrison and No. 4 Helena Sukova.

One Player Willing To Donate His Take

The Associated Press

MELBOURNE — John McEnroe has a plan to help East Germans and at the same time boost the image of "greedy" tennis players.

McEnroe wants the controversial $6 million Grand Slam Cup at the end of the year switched from West Germany to East Berlin and most of the record prize money used to assist East Germans.

"I don't see the necessity of all that (prize) money," he said Tuesday. "It makes us seem even greedier."

McEnroe said he would like to see the top players agree to skip the event but admitted: "It's not going to be easy for the top eight guys not to play."

FIRST ROUND RESULTS
Men's Singles

John McEnroe (4), U.S., def. Thierry Tulasne, France, 6-2, 6-1, 6-1; Andres Gomez (9), Ecuador, def. Darren Cahill, Australia, 4-6, 6-3, 1-6, 6-2, 6-3; Miloslav Mecir (16), Czechoslovakia, def. Mark Koevermans, Netherlands, 6-2, 6-4, 7-6 (7-4); Nduka Odizor, Nigeria, def. Ian Peter-Budge, Australia, 6-2, 7-5, 6-2; Thomas Muster (15), Austria, def. Pavel Vojtisek, West Germany, 6-3, 6-2, 6-4; Lars Wahlgren, Sweden, def. Horacio de la Pena, Argentina, 6-3, 6-1, 6-3; Petr Korda, Czechoslovakia, def. Jakob Hlasek, Switzerland, 7-6 (7-0), 6-0, 6-3; Udo Riglewski, West Germany, def. Paolo Cane, Italy, 6-2, 6-3, 2-6, 6-2; Yannick Noah (12), France, def. Goran Prpic, Yugoslavia, 4-6, 7-6 (7-5), 6-2, 4-6, 7-5; Jens Wohrmann, West Germany, def. Andres Vysand, Soviet Union, 6-3, 2-6, 6-3, 6-1.

Gilad Bloom, Israel, def. John Fitzgerald, Australia, 7-6 (7-4), 7-6 (9-7), 3-6, 6-2; Olivier Delaitre, France, def. Omar Camporese, Italy, 2-6, 6-3, 3-6, 6-4, 6-3; Ramesh Krishnan, India, def. Markus Zoecke, West Germany, 4-6, 7-5, 6-4, 5-7, 6-1; Patrick Kuhnen, West Germany, def. Niclas Kroon, Sweden, 6-3, 6-7 (5-7), 2-6, 7-6 (7-2), 6-2; Paul Annacone, U.S., def. Gary Muller, South Africa, 6-4, 6-3, 6-7 (6-8), 2-6, 6-3; Andrei Chesnokov (11), Soviet Union, def. Mark Kratzmann, Australia, 3-6, 6-7 (7-4), 7-6 (7-5), 6-3, 6-2; Martin Wostenholme, Canada, def. David McPherson, Australia, 6-3, 5-7, 7-6 (7-1), 6-1; David Wheaton, Deephaven, Minn., def. Goran Ivanisevic, Yugoslavia, 7-5, 7-5, 6-0; Wally Masur, Australia, def. Eric Jelen, West Germany, 6-2, 6-1, 6-2; Guy Forget, France, def. Grant Connell, Canada, 2-6, 6-4, 6-4, 6-2; Kelly Jones, U.S., def. Michael Tauson, Denmark, 6-3, 5-7, 2-6, 6-2, 6-3; Boris Becker (2), West Germany, def. Paul Haarhuis, The Netherlands, 6-1, 6-2, 6-1.

Women's Singles

Gabriela Sabatini (2), Argentina, def. Amy Frazier, U.S., Ill., 7-5, 6-1; Helena Sukova (4), Czechoslovakia, def. Tracey Morton, Australia, 6-4, 6-3; Alexia Dechaume, France, def. Karin Kschwendt, Luxembourg, 6-4, 7-5; Helen Kelesi (8), Canada, def. Wiltrud Probst, West Germany, 6-2, 6-3; Barbara Paulus (16), Austria, def. Regina Rajchrtova, Czechoslovakia, 6-3, 6-1; Elizabeth Smylie, Australia, def. Jill Hetherington, Canada, 6-3, 7-5; Etsuko Inoue, Japan, def. Beverly Bowes, U.S., 6-3, 7-6 (7-5); Sabine Appelmans, Belgium, def. Sara Gomer, Britain, 6-1, 6-0; Mary Joe Fernandez (6), Miami, def. Michelle Jaggard, Australia 6-1, 6-3; Petra Thoren, Finland, def. Tine Scheuer-Larsen, Denmark, 3-6, 6-3, 6-1.

Angelica Gavaldon, U.S., def. Laxmi Poruri, U.S., 6-3, 6-3; Zina Garrison (3), U.S., def. Akiko Kijimuta, Japan, 6-1, 6-2; Gigi Fernandez (15), Puerto Rico, def. Karine Quentrec, France, 6-3, 6-4; Sandra Wasserman, Belgium, def. Petra Langrova, Czechoslovakia, 7-6 (7-5), 0-6, 6-3; Jana Pospisilova, Czechoslovakia, def. Emanuela Zardo, Switzerland, 6-4, 6-1; Tami Whitlinger, U.S., def. Catherine Suire, France, 6-1, 6-2; Dinky van Rensburg, South Africa, def. Petra Ritter, Austria, 6-0, 6-0; Terry Phelps, U.S., def. Janine Thompson, Australia, 6-4, 6-3; Halle Cioffe, U.S., def. Csilla Bartos, Switzerland, 7-5, 6-4; Natalia Zvereva (10), Soviet Union, def. Nathalie Herreman, France, 6-7 (3-7), 7-5, 7-5; Hana Mandlikova, Australia (7), def. Anne Minter, Australia, 4-6, 6-2, 6-3.

Foreman Drops Cooney, Fast

Aging, Hulking Heavyweights Make It to Round Two

By Phil Berger
New York Times Service

ATLANTIC CITY, New Jersey — George Foreman, the evangelist preacher from Humble, Texas, has smitten another opponent.

The latest unfortunate soul was Gerry Cooney, whom Foreman dropped twice in the second round of a scheduled 10-round bout Monday night before the referee, Joe Cortez, stopped the bout 1:57 into the round without even bothering to count.

The first knockdown was the result of a left hook by Foreman, followed by a flurry.

Cooney was up by five and took the mandatory eight-count.

A vicious left uppercut followed by a right finished Cooney, who dropped flat on his back, where he remained without moving for about 30 seconds.

Cortez waved his arms to signal the end.

"People have gotten down on me because I haven't been finishing opponents cleanly," said Foreman, a former heavyweight champion who lost his title to Muhammad Ali in 1974. "I thought I'd come out throwing punches and get it over with."

[Cooney, 33, who had not fought for 2½ years, announced afterward that he was retiring, The Associated Press reported. "There's not going to be any more comebacks for me," he said.

["I'm going to go back to college and get a degree in something."]

The bout's promoter, Bob Arum, started a new promotion by saying of Foreman, "This guy beats Tyson," a reference to heavyweight champion Mike Tyson.

Foreman was the stalker, moving forward.

Cooney would throw his left hook, then step to the side, moving out of range. But he didn't stay out of range long enough to survive five minutes.

That Foreman agreed to fight Cooney came as a bit of a surprise when the bout originally was announced months ago.

Foreman won 19 consecutive bouts, 18 by knockout, and with a minimum of risk had positioned himself smartly as a future opponent for Tyson.

He had only to keep busy against mediocre opponents, and a multimillion-dollar match against Tyson was inevitable.

So his decision to fight the 6-foot-6 Cooney, a punishing left hooker, ran against form.

Where before discretion was the better part of valor, now Foreman praised the notion of risk as being an element that excited boxing fans and would make Foreman-Cooney a box-office success.

■ Tyson: 'Where's the Beef?'

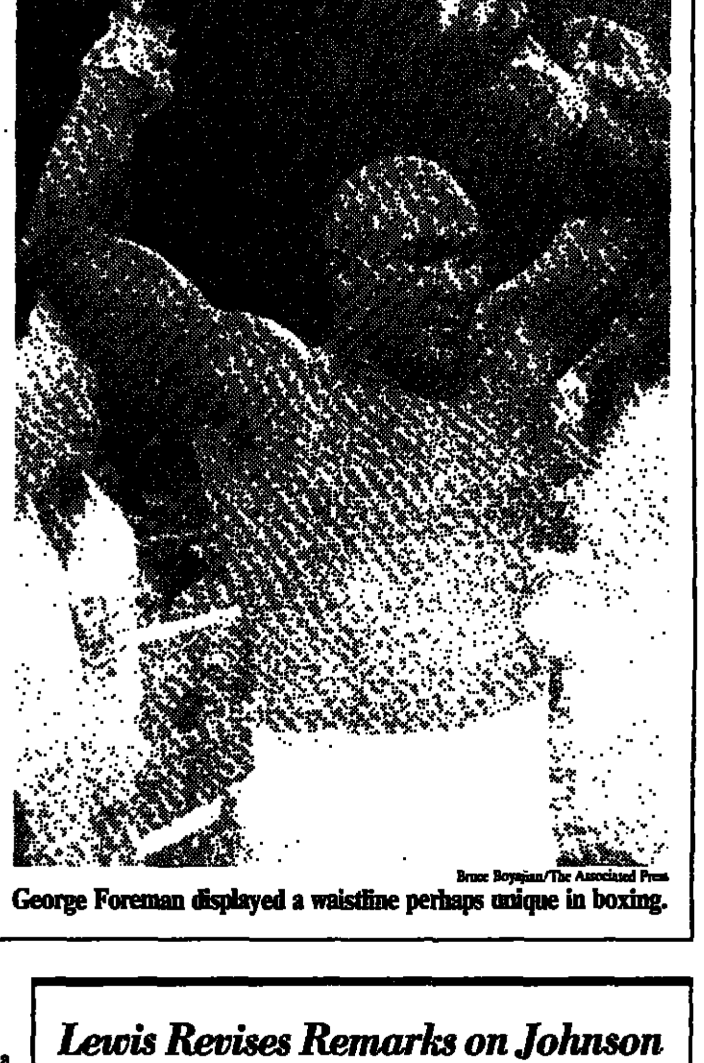
Mike Tyson, resplendent in a flowing white full-length fur coat to match the snow outside, brushed aside a traditional Japanese box dinner of rice and fish Tuesday night and grumbled he was tired, hungry and "I want beef."

"We look forward to making more Nintendo (video) games and Suntory (beer) commercials," the world heavyweight champion said in opening remarks to a news conference at a Tokyo television station, according to United Press International.

Tyson is in Japan for a title bout February 11 against James Douglas at the Tokyo Dome.

"I don't have any prediction, but I know I'm going to win," said Tyson, 23.

In Los Angeles, meanwhile, promoters announced that Tyson would meet Evander Holyfield for a title bout June 18 in Atlantic City, New Jersey. Promoter Don King said Donald Trump agreed to pay "more than 12 million" to stage the fight. Tyson would be paid up to $25 million — the biggest purse in ring history.



Bruce Boyajian/The Associated Press

George Foreman displayed a waistline perhaps unique in boxing.

Reuters

Vatanen won his third rally and the Peugeot team its fourth.

Vatanen Wins Paris-Dakar

The Associated Press

DAKAR, Senegal — Ari Vatanen of Finland led a Peugeot sweep as he won the Paris-Dakar Rally for the third time Tuesday with the traditional dash on the sand of the Senegalese.

Edi Orioli of Italy won the motorcycle division of the Europe-to-Africa race, which was in its 12th year, for the second time.

Vatanen beat Swedish teammate Bjorn Waldwegaard by more than an hour in the final standings. Alain Ambrosino of France finished third in a Peugeot.

The Finnish driver's victory was bittersweet, however. This past weekend he lost his good friend, Kaj Salminen, a freelance journalist following the tour and writing a book on Vatanen. Salminen was killed in a two-car accident in Mali on Saturday.

"I am happy to have won but sad because I lost a friend," Vatanen said. "But life continues."

Vatanen and his navigator, Bruno Berglund of Sweden, led from the start of the African stages and were never challenged. Their Peugeot 405 won the first three stages through Libya and continued on through Niger, Chad, Mauritania, Mali and Senegal to complete an 11,416-kilometer (7,094-mile) journey that began on Dec. 24.

It was the fourth triumph in the Paris-Dakar for the Peugeot team.

Lewis Revises Remarks on Johnson

Washington Post Service

WASHINGTON — After several days of controversy and criticism over his statements about Canadian rival Ben Johnson, U.S. sprinter Carl Lewis issued a clarification of his remarks and his Canadian attorney, Timothy Danson, said Lewis "regrets not choosing his words more carefully."

In an interview with The Washington Post on Jan. 9 *(IHT, Jan. 11)*, Lewis said he thought Johnson, who has admitted taking banned anabolic steroids from 1981-88, was still on steroids. "You can always tell by looking at someone," Lewis said. "I think he still is."

In a statement dated Jan. 12 but released Monday, Lewis said: "I do not know whether Ben Johnson is using steroids or any other drug, and I regret that any comments attributed to me were construed that way. As I have said in the past, I wish Ben well in his future endeavors."

Ed Futerman, Johnson's attorney, said Johnson has been tested for steroid use two times at random since the Seoul Olympics and has tested negative both times.

Embattled Borg Opens Court Fray

The Associated Press

STOCKHOLM — Ex-tennis champion Bjorn Borg appeared in court Tuesday to defend himself in an $82 million lawsuit by his former friend and business partner, while lawyers prepared a libel action and a child custody battle for the beleaguered sportsman.

The suit stemmed from the collapse of Borg's fashion business last summer, which became overextended and could not meet its debts despite its popular lines of high-priced clothing, shoes and accessories. Borg has said he refused outside capital because he did not want to relinquish control.

Lars Skarke, the managing director of the Bjorn Borg Design Group, accused Borg of responsibility for the failure and sought damages.

SIDELINES

NHL Capitals Fire and Hire Murrays

LANDOVER, Maryland (AP) — The Washington Capitals have fired their coach, Bryan Murray, and replaced him with his brother, Terry Murray.

Terry Murray, 39, has been coach of the Capitals' American Hockey League affiliate, the Baltimore Skipjacks, for the past two seasons.

Bryan Murray, fired Monday, had coached the Capitals since the 1981-82 season, leading them to the playoffs seven times. The Caps finished first in the National Hockey League's Patrick Division last year with 92 points, but lost to Philadelphia in the division semifinals. This year, they have lost eight straight games and are last in the division.

NFL May Draft More Underclassmen

NEW YORK (NYT) — Paul Tagliabue, the commissioner of the National Football League, says he is leaning toward changing NFL draft rules to permit some players who still have college eligibility to turn pro.

If the NFL joins the other major professional sports in allowing underclassmen in, more players will be likely to leave school when they feel ready for a professional career, without finishing college.

"We're looking at changes, but we don't want to open the doors wide," Tagliabue said. The NFL's present rule prohibits drafting a player before his class graduates, with only a few exceptions: if a player has been in school for five years, has used all his eligibility or is graduating early. In recent years, about 30 players have taken advantage of these exemptions to turn pro.

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE
Atlantic Division

	W	L	Pct	GB
New York	26	10	.722	—
Boston	21	14	.600	4½
Philadelphia	19	16	.543	6½
Washington	14	22	.389	12
New Jersey	11	25	.306	15
Miami	8	30	.211	19
Central Division				
Detroit	25	12	.676	—
Chicago	23	13	.639	1½
Indiana	22	15	.595	3
Atlanta	18	15	.545	5
Milwaukee	19	16	.543	5
Cleveland	16	18	.471	7½
Orlando	10	26	.278	14½

WESTERN CONFERENCE
Midwest Division

	W	L	Pct	GB
San Antonio	23	10	.697	—
Utah	23	11	.676	½
Denver	22	15	.595	3
Dallas	17	19	.472	7½
Houston	16	20	.444	8½
Charlotte	7	26	.212	16
Minnesota	7	28	.200	17
Pacific Division				
L.A. Lakers	26	8	.765	—
Portland	25	11	.694	2
Phoenix	18	14	.563	7
Seattle	18	16	.529	8
Golden State	16	18	.471	10
L.A. Clippers	15	19	.441	11
Sacramento	8	26	.235	18

MONDAY'S RESULTS

Chicago	29	28	25	24	—106
New York	28	27	23	21	—109

Jordan 9-24 8-9 26, Pippen 10-16 2-3 22; Ewing 13-21 7-10 33, Oakley 7-11 2-3 16, Newman 6-11 4-4 16. Rebounds: Chicago 48 (Cartwright 12), New York 42 (Oakley, Ewing 12). Assists: Chicago 25 (Jordan 8), New York 26 (Jackson 7).

San Antonio	29	19	15	26	—89
Cleveland	30	18	27	17	—92

Robinson 11-17 6-10 28, Anderson 7-15 3-4 17; Price 9-17 1-2 25, Ehlo 8-20 2-3 20. Rebounds: San Antonio 57 (Cummings 12), Cleveland 63 (Price 11). Assists: San Antonio 29 (Cheeks 9), Cleveland 27 (Price 12).

Dallas	19	25	26	20	— 90
Denver	32	26	20	23	—101

Harper 10-19 5-8 26, Blackman 9-18 1-1 19; English 12-19 5-5 29, Rasmussen 9-15 2-2 20. Rebounds: Dallas 49 (White, Donaldson 10), Denver 48 (Rasmussen, Lever 8). Assists: Dallas 23 (Harper 9), Denver 29 (Adams 8).

Sacramento	16	25	18	32	— 91
LA Lakers	29	31	19	32	—111

Smith 8-14 3-3 20, McCray 8-12 3-3 19; Green 7-12 11-12 25, Divac 10-15 5-6 25. Rebounds: Sacramento 41 (McCray 9), Los Angeles 54 (Thompson 12). Assists: Sacramento 26 (Smith 7), Los Angeles 30 (Johnson 10).

Miami	22	27	31	31	—111
Washington	31	25	31	18	—105

Rice 13-21 1-2 27, Edwards 8-14 3-4 19; King 11-19 8-9 30, Malone 10-21 7-7 27. Rebounds: Miami 49 (Seikaly 11), Washington 52 (Jones 9). Assists: Miami 31 (Sparrow, Douglas 8), Washington 22 (Walker 10).

Golden State	28	20	26	31	—105
Indiana	44	42	36	22	—144

Marciulionis 6-12 9-10 21, Teagle 8-17 4-4 20; Person 10-16 0-1 24, Schrempf 9-13 6-6 24. Rebounds: Golden State 50 (Mullin 9), Indiana 63 (Natt 11). Assists: Golden State 19 (Richmond 6), Indiana 38 (Miller 8).

Charlotte	29	28	29	22	—108
Phoenix	25	28	28	25	12—118

Curry 14-26 1-1 30, Chapman 10-17 2-2 23; Chambers 14-32 11-12 40, K.Johnson 9-23 5-6 23. Rebounds: Charlotte 54 (Gilliam 16), Phoenix 61 (Rambis, West 12). Assists: Charlotte 31 (Bogues 16), Phoenix 24 (K.Johnson 11).

Houston	25	24	28	24	—101
Seattle	18	37	24	26	—105

Wiggins 7-13 9-10 23, B.Johnson 9-16 3-6 21; McDaniel 11-22 3-4 25, Threatt 9-15 2-2 21. Rebounds: Houston 49 (Olajuwon 12), Seattle 45 (Cage 11). Assists: Houston 25 (B.Johnson 6), Seattle 18 (A.Johnson 7).

NBA Leaders

TEAM OFFENSE

	G	Pts.	Avg
Denver	36	4191	116.4
Golden St.	33	3802	115.2
Phoenix	31	3502	113.0
New York	35	3898	111.4
Portland	36	3969	110.3
Seattle	33	3628	109.9
L.A. Lakers	33	3619	109.7
Orlando	36	3941	109.5
Atlanta	33	3600	109.1
Chicago	35	3809	108.8
Indianapolis	36	3881	107.8
Utah	34	3646	107.2
Philadelphia	35	3728	106.5
Milwaukee	35	3712	106.1
San Antonio	32	3374	105.4
Boston	35	3488	105.4
Washington	35	3665	104.7
Houston	35	3625	103.6
L.A. Clippers	34	3519	103.5
Detroit	37	3783	102.2
Sacramento	33	3360	101.8
Dallas	35	3543	101.2
Cleveland	33	3304	100.1
Charlotte	32	3135	98.0
Miami	37	3610	97.6
New Jersey	36	3421	95.0
Minnesota	35	3295	94.1

TEAM DEFENSE

	G	Pts.	Avg
Detroit	37	3598	97.2
Minnesota	35	3501	100.0
San Antonio	32	3244	101.4
New Jersey	36	3650	101.4
L.A. Lakers	33	3355	101.7
Boston	35	3574	102.1
Dallas	35	3574	102.1
Utah	34	3506	103.1
Cleveland	33	3404	103.2
L.A. Clippers	34	3512	103.3
Houston	35	3619	103.4
Philadelphia	35	3631	103.7
Milwaukee	35	3675	105.0
Portland	36	3794	105.4
Chicago	35	3702	105.8
Seattle	33	3505	106.2
Washington	35	3718	106.2
Charlotte	32	3400	106.3
New York	35	3733	106.7
Phoenix	31	3330	107.4
Atlanta	33	3558	107.8
Indianapolis	36	3893	108.1
Sacramento	33	3569	108.2
Miami	37	4055	109.6
Denver	36	4087	113.5
Orlando	36	4196	116.6
Golden St.	33	3865	117.1

SCORING

	G	FG	FT	Pts	Avg
Jordan, Chi.	35	433	247	1152	32.9
Malone, Utah	34	375	276	1032	30.4
Ewing, N.Y.	35	373	218	964	27.5
Mullin, G.S.	33	320	199	877	26.6
Wilkins, Atl.	33	323	178	851	25.8
Chambers, Phoe.	31	280	197	764	24.6
Miller, Ind.	36	297	206	856	23.8
Drexler, Port.	31	299	133	737	23.8
Malone, Wash.	33	332	116	780	23.6
Campbell, Minn.	35	316	188	827	23.6

REBOUNDS

	G	Off	Def	Tot	Avg
Olajuwon, Hou.	35	122	337	459	13.1
Oakley, N.Y.	31	137	230	367	11.8
Robinson, S.A.	32	122	255	377	11.8
Malone, Utah	34	86	288	374	11.0
Barkley, Phil.	33	141	214	355	10.8

ASSISTS

	G	No.	Avg.
Stockton, Utah	32	447	14.0
Johnson, LAL	33	384	11.6
K.Johnson, Phoe.	23	243	10.6
Bogues, Char.	32	334	10.4
Grant, LAC	34	324	9.5

Selected College Scores

EAST

American U. 73, N.C.-Wilmington 70
Connecticut 70, Syracuse 59
La Salle 89, Canisius 77
Loyola, Md. 81, Navy 74
Massachusetts 82, St. Bonaventure 55
Mount St. Mary's, Md. 82, Bucknell 78
Penn St. 64, Duquesne 56
Providence 89, Seton Hall 63

SOUTH

Cent. Florida 53, Davidson 51
Clemson 117, Georgia St. 59
E. Tennessee St. 92, Citadel 57
Florida A&M 73, N. Carolina A&T 56
Furman 80, Appalachian St. 75
James Madison 67, East Carolina 63
Marshall 86, W. Carolina 60
Morehead St. 80, Austin Peay 78
New Orleans 75, Tulane 59
Old Dominion 94, South Alabama 85
Richmond 51, Wake Forest 49
Southern U. 123, Grambling St. 94
Tennessee St. 2, Middle Tenn. 0
Texas Southern 116, Alabama St. 98
Va. Commonwealth 86, Jacksonville 81
Virginia 89, VMI 78
Virginia Tech 74, Liberty 61
Winthrop 70, Radford 68

MIDWEST

Akron 80, Wright St. 66
Detroit 94, Youngstown St. 77
Michigan 74, Illinois 70
St. Louis 66, Butler 64

FAR WEST

Colorado St. 65, Wyoming 57
Long Beach St. 72, New Mexico St. 56
San Jose St. 66, Fullerton St. 60
UC Santa Barbara 91, Utah St. 82
UNLV 84, *Fresno St. 75*
Washington 83, Miami, Fla. 67

TRANSACTIONS

BASEBALL
American League

DETROIT—Agreed to terms with Cecil Fielder, first baseman-designated hitter, on two-year contract and Ed Romero, infielder, and Tracy Jones and Larry Sheets, outfielders, on one-year contracts.

KANSAS CITY—Agreed to terms with Steve Farr, pitcher, on one-year contract.

OAKLAND—Agreed to terms with Terry Steinbach, catcher, on two-year contract.

SEATTLE—Agreed to terms with Jerry Reed, pitcher, and Mickey Brantley, outfielder, on one-year contracts.

TEXAS—Agreed to terms with Geno Petralli, catcher, on two-year contract.

National League

ATLANTA—Agreed to terms with Charlie Leibrandt, pitcher, on one-year contract.

CINCINNATI—Agreed to terms with Danny Jackson, pitcher, on one-year contract.

BASKETBALL
National Basketball Association

ATLANTA—Signed John Long, guard, to second 10-day contract.

PHILADELPHIA—Signed Lewis Lloyd, guard-forward, to 10-day contract.

FOOTBALL
National Football League

GREEN BAY—John Anderson, linebacker, retired.

HOCKEY
National Hockey League

DETROIT—Recalled Dave Barr and Randy McKay, right wings, from Adirondack, American Hockey League.

MONTREAL—Sent Jean-Claude Bergeron, goaltender, to Sherbrooke, American Hockey League.

SOCCER
United States Soccer Federation

U.S. NATIONAL TEAM—Agreed to terms with Tony Meola, goalkeeper; Desmond Armstrong, Marcelo Balboa, Jimmy Banks, Johny Doyle, Steve Trittschuh and Michael Windischmann, defenders; Brian Bliss, Eric Eichmann, John Harkes, Paul Krumpe, Tab Ramos and John Stollmeyer, midfielders and Bruce Murray, forward, on one-year contracts.

COLLEGE

CORNELL—Named Jim Hofher football coach.

FLORIDA—Livingston Chatman, forward, left basketball team. Suspended Dwayne Schintzius, center, and Tim Turner, forward, indefinitely from basketball team.

FLORIDA STATE—Suspended Tharon Mayes, guard, and Irving Thomas, center, from basketball team.

IOWA—Named Lynn Blevins golf coach.

LOCK HAVEN—Tom Jones, football coach, resigned.

CRICKET

Australia vs. Pakistan
(Melbourne, Australia, Test 1, Day 5)

1st Innings: Australia 223-9 (decl.); Pakistan 107 (all out).
2nd Innings: Australia 312-8; Pakistan 336 (all out).
Australia wins by 92 runs

HOCKEY

NHL Standings

WALES CONFERENCE
Patrick Division

	W	L	T	Pts	GF	GA
New Jersey	22	20	4	48	181	177
NY Islanders	20	21	4	44	160	165
NY Rangers	18	21	8	44	149	158
Pittsburgh	20	21	3	43	184	192
Philadelphia	18	21	7	43	166	155
Washington	18	24	4	40	152	167
Adams Division						
Boston	27	16	3	57	165	134
Buffalo	24	15	6	54	155	142
Montreal	24	18	6	54	156	139
Hartford	21	21	3	45	153	156
Quebec	8	30	6	22	136	203

CAMPBELL CONFERENCE
Norris Division

	W	L	T	Pts	GF	GA
Chicago	25	17	4	54	189	173
Toronto	24	22	1	49	208	213
St. Louis	20	19	6	46	162	152
Minnesota	21	23	3	45	156	172
Detroit	15	24	6	36	155	172
Smythe Division						
Edmonton	23	14	9	55	177	147
Calgary	21	15	11	53	192	160
Winnipeg	22	17	5	49	152	154
Los Angeles	20	20	5	45	198	187
Vancouver	13	25	8	34	139	167

MONDAY'S RESULTS

Minnesota	2	0	1—3
Montreal	2	1	1—4

Murphy (7), Bellows 2 (31); Keane (6), McPhee (7), Richer (27), Ewen (1). Shots on goal: Minnesota (on Roy) 10-10-5—25; Montreal (on Takko) 8-8-13—29.

Hartford	1	0	0—1
Boston	1	1	2—4

Ferraro (17); Neely (32), Burridge (14), Bourque 2 (11). Shots on goal: Hartford (on Moog) 10-11-13—34; Boston (on Sidorkiewicz) 12-12-4—28.

Chicago	1	4	1—6
Toronto	1	5	1—7

Creighton (23), Secord (11), Savard 2 (21), Larmer 2 (18); Iafrate (12), McIntyre (4), Olczyk (23), Daoust (6), Osborne (15), Damphousse (16), Clark (17). Shots on goal: Chicago (on Bester, Reese) 15-15-15—45; Toronto (on Chevrier, Cloutier) 6-22-5—33.

OBSERVER

The Hiss of Flying Fur

By Russell Baker

NEW YORK — It is now O.K. to join a crowd and hiss people who wear fur coats. This is the newest wrinkle in right-thinking causes. I am all for it. It's about time we had a right-thinking cause that doesn't pick on me.

For years I have been the target of all right-thinking causes. After awhile it led to paranoidal fancies.

"All right-thinking people hate everything about me," I confided to a saloonkeeper. I went to the saloonkeeper the way right-thinking people go to the psychiatrist.

Right thinkers abused me for this. "Abandon your shameless dependence on saloonkeepers and confront your illness on the couch," they shouted rhythmically while massed in hissing formation outside the swinging doors.

When I told the saloonkeeper the right-thinkers had made me paranoid, he merely nodded instead of recommending six years of rambling conversation.

He never asked, "When you were 5 years old did you dream about having gender with your great-aunt Clarice?" He never said "gender" when he meant "sex." That's what started me going to him. I had bumped into a right-thinking acquaintance on the street.

"What is one of the most disgusting things about American society today?" she had asked. The instant I replied, "Discrimination based on sex," she blew a whistle and I was surrounded by a crowd hissing me for not saying "discrimination based on gender."

□

I fled to the nearest saloon. "What's the difference between a couple in the park and a martini?" I asked the saloonkeeper. "Easy," he said. "The couple can have sex but the martini can only have gender, which, by the way, would be neuter."

I rarely go to that clever man anymore. The right-thinking campaign against strong drink was too powerful for me to resist, and the saloonkeeper said he would have nothing to do with people who stood around drinking bottled water with a slice of lime.

It was as hard for me to forsake the martini as it was for him to look at a water-with-lime-slice drinker. Still the right-thinking campaign against vermouth-tainted gin helped me through it.

"No longer will you feel old-fashioned and passay," said the young right thinker assigned to making me hate myself.

"That's passé, with an accent aign," I told him.

"You wrong-thinkers are hopeless," said he. "Haven't you heard that young people are now so dumb they can't even find France on the map, much less spell it right?" He dismissed the crowd of Francophiles I quickly formed to hiss him. "Being perfectly ignorant is far preferable to being a wrong-thinker," he told us.

□

Recently I had a conference with the rightest thinker of all. I said, wasn't he ever going to give me a break? Every time he rallied right thought to do battle, it was to do battle with me.

When they discovered my cigarette habit they made me feel abhorrent, then detestable, and finally despicable. I had ended so full of self-loathing that I surrendered and quit smoking altogether.

Caving in to psychological strong-arm stuff had left me feeling so craven that I lost all self-respect.

And how about the time when I finally got my old 1969 Buick all paid for? Eight cylinders, eight miles to the gallon, two tons of steel so fearsome that New York cab drivers never dared challenge it for the right of way.

All paid up it was, and what happened? The right thinkers formed crowds and hissed me for driving a gas guzzler. Accused me of polluting the right-thinking air. Ridiculed me for clinging to an environmentally damaging antique.

Hadn't I surrendered as usual to the forces of right thought? Hadn't I gone into debt for something Japanese and no bigger than a baby buggy even though it meant Grandmother could never again go for a ride with the whole darned family?

"You've got to kick a few old dears out of the back seat to make a right-thinking omelet," explained the rightest thinker of all. Still there was a note of tenderness in his voice when he said, "Just once in your life, you'd like to know how it feels to be one of the hissing crowd, wouldn't you?"

My eyes misted over when he said, "You don't own a fur coat, do you?" I wept with gratitude.

New York Times Service

Found: One True Working Class Hero

By Henry Allen
Washington Post Service

WASHINGTON — In the question-and-answer session after a screening of "Roger & Me," a guy with long blond hair and an Arab scarf around his neck, a kaffiyeh, stands up and goes into a huge question full of cool and righteous anger, a question that leaves a feeling in your mind the way a penny leaves a taste on your tongue.

"Do you mind this movie being called 'hilarious'?" the guy asks. "Did you ever think that you should be addressing the larger issues such as the distribution of wealth in America? Do you want to exercise control over media descriptions of the movie as 'hilarious,' such as advertising that calls it 'hilarious'?"

Michael Moore, the auto worker's kid who made the movie, doesn't know this guy, but he knows this guy.

"I didn't want to make another dying-steel-town film like you see on PBS," Moore says, in a tenor voice with fat, flat Michigan vowels that all sound the same. "I don't like PBS! You may have noticed that even though this is a film about unemployment, there are no unemployment lines in it, no homeless people. I don't want to see any more homeless people films. I think humor is a way for people to relax a little instead of being depressed. If they're depressed, they just leave."

So much for the debate over doctrinal purity, here in the sticky-floor Saturday-morning repertory gloom of the Biograph Theater.

The screening is mostly for people Moore has spent years with, fighting the good fight, and indeed, most of them have found the movie hilarious: the pro-bono bunch; true believers; the home-haircut types who work in public-interest offices with scabby linoleum floors in buildings around Dupont Circle; Naderites with a kind of fluorescent pallor from all those hours going through endless government documents; liberation theologists in drugstore watches and unfashionable sneakers that are not to be confused with fashionably unfashionable sneakers.

On the other hand, the good news is they know that Michael Moore is said to have gotten $3 million from Warner Bros. for the rights to "Roger & Me," a documentary about unemployment in Flint, Michigan, about Rust Belt despairs and capitalism's betrayals of the workers.

Michael Moore lives in Washington now. He is one of this crowd in the Biograph, sort of, except that instead of being an educated dropout from greedy bourgeois America, he's an Irish-Catholic dropout from seminary, the nephew of one of the auto workers who sat down in the great 1937 strike in Flint that founded the United Auto Workers. He's a 35-year-old whose idea of a good time is an Arnold Schwarzenegger movie, or spending three hours in that foundry of noise known as a Van Halen concert. It's easy to pick him out in the crowd. He's the only 235-pound guy in a baseball hat.

After 10 years editing an alternative newspaper in Michigan, after getting office space and support later on from Ralph Nader, Moore will still call these people "the church of the left, liberals, the converted. I didn't make this film for . . . the people who already know things are pretty bad in places like Flint."

The movie is organized around the campaign of Moore, a bewildered, sardonic, deadpan narrator in the tradition of Mark Twain or Garrison Keillor, to confront Roger Smith — the General Motors boss referred to in the movie's title, the man Moore blames for eliminating 35,000 jobs in Flint.

Moore tries to get into Smith's office and his clubs, he chases him to New York, he drives past the houses of Grosse Pointe Woods, Grosse Pointe Farms, all the Grosse Pointes where Roger Smith might live. In the voice-over, Moore says: "We tried to find him in the phone book, but Smith is a common name among these people."

These people . . . this line gets a big laugh, Moore says, when he shows it to the Dombrowskis and Caputos of the rank and file, but it gets silence from the crowd at the Biograph.

Uneasy alliance. Everybody

Lacy Morris, The Washington Post
Michael Moore, writer/director of "Roger & Me."

here knows he sold his house and held bingo games to finance this movie. On the other hand, life on the American left is an ongoing witch trial, and Moore has given them cause for suspicion — if the charge isn't quite heresy, it's a sort of philosophical disorderly conduct.

After he left the alternative newspaper, they know, he became editor of a magazine called Mother Jones until the trust-fund leftist who owns it — the very sort of rich kid who has kept the left going in the United States for a century now — fired him. The firing was said to be over a piece knocking the Sandinistas, a piece Moore didn't like. Moore says the trouble really began when he interrupted a discussion about hiring more women and minorities to suggest that Mother Jones might serve the cause better by hiring a factory worker, a blue-collar person, an actual proletarian.

They also know Moore is hot in Hollywood, and he travels around now with a cellular phone entourage.

He solved the Mother Jones problem with a lawsuit that got him $58,000, which he sank into the movie. He dismisses the $3 million Hollywood "sell-out" problem now by saying, "It is one of the charming ironies of our system that the largest media company in the world is distributing such an anti-corporate film."

It no doubt helped with Warner Bros. that the movie is funny, even if it's a comedy about unemployment. We are not talking about enlightened snickering at ironies, we're talking lotsa laughs at the ongoing slapstick of the American dream as dreamed and then awakened from in the light of the world according to Roger Smith. General Motors is the car company that sold 44.1 percent of the cars sold in the United States in 1979, and only 34.2 percent of the cars sold in 1989.

Scenes:

- The city tries to become a tourist attraction with slogans like "Our New Spark Will Surprise You!" A woman behind a tourist-information counter is asked what question people ask first about Flint. She says: "Where's the bathroom!"
- The city opens a theme park called AutoWorld where a puppet auto worker sings a song called "Me and My Buddy" to the robot who is replacing him.
- The rich people of Flint help out by hiring unemployed workers to serve as living statues at a Great Gatsby party. They also buy tickets for a charity ball in Flint's new jail, and get to sleep in the cells for fun.

The movie implies that all the workers got laid off in the middle '80s, and the AutoWorld debacle and the other absurdities came afterwards. In fact, all of it was spread out over more than a decade. The movie isn't a documentary as much as a social commentary, an adroit bit of irony-juggling.

When somebody in the Biograph asks Moore what his next movie will be, he says he's going to do another search bit. "I was raised Catholic. The Virgin Mary has been appearing around the world a lot lately, a cornfield in Texas, at a subway stop. I'd like to go around and try to meet her — do diagrams on the screen, John Madden style. I'm going to call it "Virgin Tour '89.'"

Big laugh, though as he says later, it isn't true, it's just an answer he's cooked up. So what's he really going to do? Maybe a movie about the Palestinians: "I thought of doing it as a Western, a comedy Western. Call it 'West Bank Story.' Lots of shoot-'em-up. You know, good guys and bad guys. Americans love a good Western."

Anyway, he's a troublemaker. One look at him, you know that his whole life they've been taking one look at him — teachers, priests, cops, pro-bono types — and seeing an attitude, that he's smart and all, and charming, but he's what teachers call "a handful," the kind of guy an ex-boss would say about: "I like Michael, but you gotta realize one thing about Michael, he . . ."

PEOPLE

Top Renoir Painting Put Up for Auction

Renoir's "Le Moulin de la Galette," which was in the collection of Mr. and Mrs. John Hay Whitney for six decades, is to be sold in New York on May 16 by Mrs. Whitney. Sotheby's estimates that it will sell for from $40 million to $50 million, although the Paris-based dealer Daniel Malingue says, "this is worth $80 million. It is the Japanese archetypal top Impressionist piece." Its chronological relationship to the Louvre's larger version is uncertain. Sotheby's feel confident that its came first. However, the art historian John Rewald is coming to Paris next month to compare both works on the spot.

□

A professor who says he knows who wrote an article speculating on the future of change in the Soviet Union stands by his assertion even though the man he identified as the mysterious "Z" denies it. William E. Jackson Jr., an international affairs professor at the University of Arkansas, says that Z is his longtime friend William Odom, a retired lieutenant general who once directed the National Security Agency. Odom said: "I deny it. I don't know how this thing has gotten off the ground. It's just wild." But Jackson says that "for good reason, I think, I am not stepping back from the conclusion of my original speculation. Odom is Z. I have read everything he has ever publicly written — sometimes in draft form — and I know his writing style."

□

Jeffrey Lawton, who took up professional opera singing after he lost his job as a mail order executive in 1981, stepped in for the tenor Plácido Domingo at the Royal Opera House in London and triumphed as in the title role of Verdi's "Otello." Lawton was at home near Manchester Sunday when he had a call asking if he could stand in for Domingo, who had come down with flu. Lawton, who has sung Otello 40 times in the last three years, agreed and after some rehearsal and costume fitting went on stage in the role Monday night. His performance earned him cheers and prolonged applause as he took curtain calls with Katia Ricciarelli as Desdemona and Justino Díaz as Iago. Jeremy Isaacs, the general director of the Royal Opera, called Lawton's performance as "moving and marvelous."

TODAY'S

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Appears on page 13

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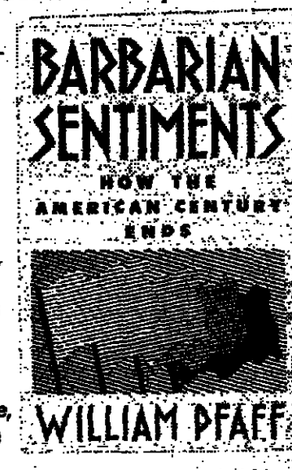

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